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# COLONIAL REPORTS—ANNUAL.

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No. 396.

*Gt. Britain & Ireland and the Colonies*

CEYLON.

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## REPORT FOR 1902.

(For Report for 1901, see No. 367.)

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Presented to both Houses of Parliament by Command of His Majesty.  
*September, 1903.*

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### ANNUAL.

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374	Leeward Islands ... ..	"
375	Gold Coast ... ..	1901
376	Grenada ... ..	"
377	Northern Nigeria ... ..	"
378	British Guiana ... ..	1901-1902
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387	Gibraltar ... ..	"
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389	Sierra Leone ... ..	"
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4	Canada ... ..	Emigration.
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20	Wei-hai-wei ... ..	General Report.
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No. 396.

# CEYLON.

(For Report for 1901 *see* No. 367.)

GOVERNOR SIR J. WEST RIDGEWAY to MR. CHAMBERLAIN.

The Queen's House, Colombo,  
Ceylon, 19th August, 1903.

SIR,

I HAVE the honour to forward herewith copies of the Ceylon Blue Book for the year 1902, together with copies of the usual Report prepared in the Colonial Secretary's Office.

I have, &c.,

J. RIDGEWAY.

## REPORT ON THE CEYLON BLUE BOOK OF 1902.

### I.—FINANCIAL.

#### (A) GENERAL REVENUE AND EXPENDITURE

##### *Revenue.*

Th estimated revenue for 1902 was Rs. 26,500,000; the actual revenue was Rs. 27,198,056, showing an increase over the estimate of Rs. 698,056, an increase over the revenue of 1901 of Rs. 760,954, and a decrease of only Rs. 127,874, as compared with the revenue collected in 1900.

2. The following is a comparative statement showing the actual revenue collected in 1901 and 1902:—

	Revenue of 1901.		Revenue of 1902.		Increase.		Decrease.	
	Ra.	c.	Ra.	c.	Ra.	c.	Ra.	c.
1. Customs ... ..	7,010,187	88	7,181,272	67	217,183	64	46,098	85
2. Port, Harbour, Wharf, and Lighthouse Dues...	1,331,217	76	1,299,727	64	8,208	93	39,699	6
3. Licenses, Excise, and Internal Revenue not otherwise classified.	5,858,955	1	6,057,748	0	259,411	89	60,618	90
4. Fees of Court or Office, Payment for Specific Services, and Reimbursements in Aid.	1,745,241	87	1,826,949	12	117,454	39	35,747	14
5. Post and Telegraphs ... ..	980,973	92	1,110,784	74	129,810	82	—	—
6. Government Railways ... ..	7,967,692	14	7,977,589	88	24,639	69	14,741	95
7. Rent of Government Property ... ..	114,548	27	126,891	30	15,161	53	2,818	50
8. Interest ... ..	426,355	68	514,047	29	87,728	41	36	80
9. Miscellaneous ... Receipts ... ..	78,597	82	90,888	58	33,739	85	21,449	9
10. Sale of Government Property ... ..	366,055	12	329,674	88	—	—	36,380	24
11. Land Sales ... ..	557,276	91	682,482	34	144,173	7	18,968	34
Total	26,437,102	38	27,198,056	44	1,037,512	92	276,558	86
Deduct Decrease ... ..					276,558		86	
Nett Increase ... ..					760,954		6	

3. It will be seen that an increase is shown under every head of revenue except under Port and Harbour Dues and Sale of Government Property.

4. Under Customs, imports of grain and sundries decreased, but imports of cotton, sugar, spirits, kerosine, and other goods increased. The export of plumbago, arrack, and elephants showed an increase, while the export of hides and horns and chanks showed a decrease. The decrease in Harbour Dues is attributable to the diminished import of rice. Salt and arrack both yielded a larger revenue. Judicial stamps showed a considerable decrease, due to property of less value having been under litigation, but recoveries of survey fees and upon irrigation works showed large increases. Increases are shown under every head of Postal Service, postage stamps, money orders, and sundry collections being responsible for increases of Rs. 18,266, Rs. 60,216, and Rs. 26,312, respectively. Government Railways show the satisfactory increase of Rs. 24,639 under passenger traffic, but goods traffic shows a decrease of Rs. 10,270. Sales of timber showed a decrease of Rs. 32,362. Land sales increased to the value of Rs. 144,173, but against this increase has to be set a decrease of Rs. 18,968 under premia on leases, due to the continued depression of the plumbago industry.

*Expenditure.*

5. The following is the comparative statement of expenditure for 1901 and 1902:—

Heads of Service.		1901.		1902.		Increase.		Decrease.	
		Ra.	c.	Ra.	c.	Ra.	c.	Ra.	c.
1.	Charges on account of Public Debt	...	...	3,099,403	41	294,373	57	—	—
2.	Pensions	...	...	1,191,404	33	93,243	76	—	—
3.	His Excellency the Governor	...	...	127,838	44	—	—	1,365	90
3a.	Civil Service	...	...	652,717	11	10,928	77	—	—
4.	Secretariat	...	...	263,289	14	10,276	2	—	—
5.	Audit Office	...	...	49,085	33	3,161	23	—	—
6.	Treasury	...	...	41,563	59	406	70	—	—
7.	Provincial Administration	...	...	958,212	40	—	—	8,888	51
8.	Survey Department	...	...	652,561	31	—	—	14,474	94
9.	Customs Department	...	...	129,309	68	844	4	—	—
10.	Port and Marine Department, Colombo	...	...	370,144	95	—	—	39,432	40
11.	Port and Marine Department other than Colombo	...	...	38,575	30	5,049	7	—	—
12.	Botanic Gardens	...	...	71,198	60	1,047	97	—	—
13.	Colombo Museum	...	...	23,108	67	2,552	25	—	—
14.	Legal Departments:—	...	...	154,778	92	1,498	49	—	—
	Supreme Court	...	...	60,917	15	—	—	117	40
	Attorney-General	...	...	12,147	99	—	—	4	14
	Solicitor-General	...	...	164,071	82	—	—	3,689	45
	District Courts	...	...	124,935	24	3,364	75	—	—
	Courts of Requests and Police Courts	...	...	78,385	24	22	93	—	—
	Registration of Lands	...	...	114,895	13	2,580	48	—	—
	Registration of Marriages, Births, and Deaths	...	...	—	—	—	—	—	—

[illegible]

## Expenditure—cont.

Heads of Service.	1901.		1902.		Increase.		Decrease.	
	Rs.	c.	Rs.	c.	Rs.	c.	Rs.	c.
<i>Expenditure from Surplus Funds.</i>								
1. Public Debt, half-year's interest on Loan (Ordinance No. 14 of 1900).	—		289,290	79	289,290	79	—	
29. Railway Construction ...	3,170,000	0	948,165	48	—		2,221,834	52
32. Irrigation Construction ...	150,152	15	462,770	36	312,618	21	—	
Grand Total	29,216,746	82	28,042,104	66	1,541,938	41½	2,716,580	57½
Deduct Increase								
Nett Decrease								
1,541,938 41½								
1,174,642 16								

6. The expenditure for 1902 was thus less than the expenditure for 1901 by Rs. 1,174,642, the decrease being due principally to the fact that Rs. 948,165 only was contributed towards railway construction from surplus funds, as compared with Rs. 3,170,000 in 1901, the smaller sum being the amount required to make up the moiety to be found from surplus funds under the "New Policy."

7. Increased expenditure to the amount of Rs. 93,243 was necessitated by new pensions. Increments under the new scheme necessitated increased expenditure on the Civil Service, and increments and certain additional appointments and equipments necessary to efficiency required increased provision for the Secretariat, the Police, Prisons, Postal, and Irrigation Departments. Increased grants, increments to officers, and miscellaneous expenditure account for an increase of Rs. 44,282 under Education. Under Miscellaneous Services there was an increase of Rs. 286,859, of which Rs. 136,570 represents expenditure in connection with the Coronation, and the balance is chiefly the purchase amount and incidental expenses for acquisition of Gangaruwa estate. The Railway Department demanded an excess of Rs. 171,822, of which Rs. 139,989 was the amount required to complete the expenditure on the deposit stocking account, and the balance was due to opening of the Northern and Kelani Valley Railways.

The Waste Lands Department was created as a separate Department in 1902, and therefore appears for the first time under a separate head of expenditure. Economies were effected principally under the headings Survey Department, Port and Marine, Fiscals, Hospitals and Dispensaries, Exchange, Forests, Public Works Extraordinary, and Military Expenditure (Rs. 226,844), the last being due to the fact that the balance for 1900 was brought to account in 1901, whereas no such balance was payable in 1902, and to less expenditure on account of Volunteers. A saving of Rs. 18,788 was made under the head Ecclesiastical, owing to the salary of the Bishop having lapsed on transfer of Bishop Copleston to the See of Calcutta. The actual expenditure was less than the estimated expenditure by Rs. 62,593.

8. The following table shows the total revenue and expenditure for the last five years:—

—	1898.	1899.	1900	1901.	1902.
Revenue ... ..	Rs. c. 25,138,669 26	Rs. c. 25,913,141 58½	Rs. c. 27,325,930 56	Rs. c. 26,437,102 38	Rs. c. 27,198,056 44
Expenditure from Current Revenue ... ..	22,843,851 89	24,950,940 36	25,321,988 0°	25,896,594 67½	26,341,878 3½
Expenditure from Surplus Funds ... ..	1,668 88	1,519 81	3,626,939 17†	3,320,152 15§	1,700,226 63¶

\* Includes on account of Irrigation Works under the "New Policy," Rs. 504,024·81.

† Represents expenditure on Railway Construction under the "New Policy."

‡ Includes on account of Irrigation Works under the "New Policy," Rs. 203,737·08.

§ Represents expenditure on Railway Construction Works, Rs. 3,170,000 ; and Irrigation Construction Works Rs. 150,152·15.

|| Includes on account of Irrigation Works under the "New Policy," Rs. 309,830·84.

¶ Includes expenditure under the "New Policy," Railway Construction, Rs. 948,165·48 ; Irrigation, Rs. 462,770·36

(B.) IMPORTANT CHANGES IN TAXATION.

No important changes were made in 1902.

(C.) ASSETS AND LIABILITIES.

The total assets on January 1, 1903, were Rs. 24,576,277, as against Rs. 24,972, 692 on January 1, 1902. The liabilities were Rs. 22,173,748, showing an excess of assets over liabilities of Rs. 2,402,529. From this has to be deducted Rs. 289,350, being recoverable arrears of revenue and overpayments outstanding on January 1, 1903, leaving a balance of Rs. 2,113,178. Against this a sum of Rs. 410,150 has been appropriated in the Estimates for 1903 for new roads, &c., leaving a total available surplus of assets of Rs. 1,703,028. Of this sum, Rs. 1,237,101 is the residue of loans raised under Ordinances Nos. 7 and 8 of 1892 and 17 of 1893, disposal of which is still under consideration.

(D) PUBLIC DEBT, SHOWING PROVISION FOR PAYMENT.

The balance due by the Colony on sterling loans raised in London stood on December 31, 1902, at £4,762,808 0s. 7d., as against £3,391,844 3s. 5d. on the same date in 1901, a new loan of £1,400,000 having been raised during the year for harbour construction, railways and irrigation works. The balance outstanding on the local silver debt was Rs. 3,210,507.16, as compared with Rs. 3,225,366.65 at the close of 1902.

Provision is made for repayment of all loans by means of a Sinking Fund.

(E) CURRENCY.

The currency of Ceylon is based upon the Indian rupee. It consists at present of—

- (1) Notes: Ceylon Government notes of Rs. 1,000, Rs. 100, Rs. 50, Rs. 10, and Rs. 5.
- (2) Gold: British sovereigns, which are current at the rate of Rs. 15 to the sovereign.
- (3) Silver: The Indian rupee.

All the above are legal tender to any amount.

Subsidiary coins are—

- (1) Silver: Ceylon 50-cent, 25-cent, and 10-cent pieces. Also Indian 8-anna and 4-anna pieces, which are current at 50 cents and 25 cents respectively. These are legal tender to the amount of Rs. 5.
- (2) Copper: Ceylon 5-cent, 1-cent,  $\frac{1}{2}$ -cent, and  $\frac{1}{4}$ -cent pieces. These are legal tender to the amount of 50 cents.

About half the face value of the paper issued is held in specie by the Currency Commissioners, the balance being invested in Indian Government paper and other approved securities.

	Value.			
<i>Circulation.</i>			Rs.	c.
Currency notes in circulation on December 31st, 1902.	—	—	13,868,440	0
<i>Reserve.</i>	In Gold.	In Silver.	In Securities.	
	Rs. c.	Rs. c.	Rs.	c.
By gold £411,666 in sovereigns at Rs. 15 a sovereign.	6,174,990 0	—	—	—
By silver in the vault (77 cents copper).	—	1,742,309 77	—	—
By investments made by the Crown Agents.	—	—	2,567,486	2
By investments made in Indian Government Paper.	—	—	3,383,654	23
	6,174,990 0	1,742,309 77	5,951,140	25
Total ... ..	Rs. 13,868,440·2			

Under Ordinance No. 13 of 1901, the specie reserve may be held in gold as well as silver. The Currency Commissioners are bound to issue notes for either gold or silver, but may redeem notes either in gold or rupees as they may consider fit. As a result of this Ordinance a difficulty arose during 1902 in keeping up the supply of silver in the Island, and the question was referred to a Commission, whose report is still under consideration.

The following banks do business in the Colony:—The Mercantile Bank of India, Ltd., the Bank of Madras, the National Bank of India, Ltd., the Hongkong and Shanghai Banking Corporation, and the Chartered Bank of India, Australia, and China.

(F.) COMPARATIVE STATEMENT OF THE TOTAL REVENUE AND EXPENDITURE OF MUNICIPALITIES FOR THE FIVE YEARS ENDED DECEMBER 31ST, 1902.

Name of Municipality.		Revenue or Expenditure.		1898.	1899.	1900.	1901.	1902.
Colombo ...	...	...	...	Ra. c. 922,189 17	Ra. c. 1,088,519 50	Ra. c. 1,152,137 58	Ra. c. 1,230,005 20	Ra. c. 1,405,838 88
				837,809 72	927,229 89	902,408 5	1,305,278 56	1,175,727 7
Kandy ...	...	...	...	131,379 34	141,436 42	181,946 94	181,107 91	173,202 85
				166,774 19	150,032 87	183,671 31	186,728 3	185,364 63
Galle ...	...	...	...	80,797 16	90,787 38	109,566 51	86,222 74	91,652 67
				83,164 72	84,439 26	87,629 69	94,009 28	92,535 45

COMPARATIVE STATEMENT OF THE TOTAL REVENUE AND EXPENDITURE OF THE LOCAL BOARDS AND  
BOARD OF IMPROVEMENT OF THE ISLAND FOR THE FIVE YEARS ENDED DECEMBER 31ST, 1902.

Name of Board.		Revenue or Expenditure.		1898.	1899.	1900.	1901.	1902.
WESTERN PROVINCE.								
Negombo ...	...	{ Revenue ... Expenditure ... }	...	Rs c. 25,852 32 25,963 71	Ra c. 20,493 60 28,716 97	Ra c. 27,485 8 24,330 84	Ra c. 23,693 93 26,996 59	Ra c. 20,929 11 23,557 16
Kalutara ...	...	{ Revenue ... Expenditure ... }	...	19,587 80 13,192 40	34,796 69 31,358 0	14,290 38 17,429 54	19,784 47 19,592 77	18,063 33 16,285 55
Minuwangoda ...	...	{ Revenue ... Expenditure ... }	...	—	{ 1,683 48 1,092 78 }	2,397 37 1,557 90	2,838 51 2,913 31	3,249 58 2,220 12
CENTRAL PROVINCE.								
Matale ...	...	{ Revenue ... Expenditure ... }	...	8,275 37 7,425 8	9,827 51 8,470 65	10,430 95 16,545 28	10,481 85 10,505 5	12,980 54 7,704 58
Gampola ...	...	{ Revenue ... Expenditure ... }	...	4,743 51 4,189 22	9,262 42 11,347 65	6,954 47 7,107 84	11,657 5 10,871 76	12,754 58 9,965 88
Nawalapitiya ...	...	{ Revenue ... Expenditure ... }	...	7,107 66 4,822 94	8,370 34 9,631 12	13,447 25 14,632 89	13,036 72 10,464 73	10,316 67 10,025 25
Nuwara Eliya ...	...	{ Revenue ... Expenditure ... }	...	22,486 6 20,472 68	24,253 99 21,011 86	33,363 98 26,914 9	34,260 89 33,897 5	30,956 47 30,736 6
Hatton ...	...	{ Revenue ... Expenditure ... }	...	—	—	—	—	11,649 77 10,494 0

NORTH-WESTERN PROVINCE.										
Kurunegala	...	...	{ Revenue ... { Expenditure }	...	...	16,007 82 19,275 19	24 470 71 19,512 82	22,755 98 30,166 20	24,242 97 21,541 2	21,578 29 18,415 21
Puttalam	...	...	{ Revenue ... { Expenditure }	...	...	11,275 44 11,889 88	12,773 44 14,789 98	11,946 1 10,867 77	12,503 52 13,291 80	10,789 72 11,789 44
Chilaw	...	...	{ Revenue ... { Expenditure }	...	...	9,533 91 10,146 65	11,434 88 9,339 77	15,567 92 16,188 76	30,864 69 30,544 64	9,702 54 8,881 7
PROVINCE OF UVA.										
Badulla	...	...	{ Revenue ... { Expenditure }	...	...	14,466 86 12,025 46	13,019 4 14,821 45	13,741 91 13,365 26	14,357 52 12,395 53	14,296 64 12,848 67
PROVINCE OF SABARAGAMUWA.										
Ratnapura...	...	...	{ Revenue ... { Expenditure }	...	...	9,406 29 8,275 26	9,229 99 7,596 48	9,370 59 8,813 62	11,719 78 10,664 82	10,326 58 9,873 54
Kegalla	...	...	{ Revenue ... { Expenditure }	...	...	9,574 74 4,498 86	5,383 66 4,093 79	4,679 90 4,812 18	5,961 74 4,173 33	5,518 31 4,732 50
NORTH-CENTRAL PROVINCE.										
Anuradhapura	...	...	{ Revenue ... { Expenditure }	...	...	—	—	—	{ 5,705 72 5,216 72 }	11,002 98 11,013 90
SOUTHERN PROVINCE.										
Matara	...	...	{ Revenue ... { Expenditure }	...	...	14,466 86 12,025 46	13,508 44 15,692 54	19,233 29 15,028 23	17,557 19 17,517 3	16,853 77 17,994 13
EASTERN PROVINCE.										
Batticaloa...	...	...	{ Revenue ... { Expenditure }	...	...	17,124 88 16,865 4	17,326 82 16,610 99	17,190 37 16,981 59	13,406 13 12,727 71	14,654 37 13,732 81
Trincomalee	...	...	{ Revenue ... { Expenditure }	...	...	13,184 15 12,754 96	15,775 69 13,772 61	13,423 97 15,575 56	13,172 59 13,081 45	13,017 63 12,861 41

(G.) STATEMENT OF DEBTS OF MUNICIPALITIES UP TO END OF 1902, SHOWING  
PROVISION FOR PAYMENT.

Name of Municipality.	Amount of Debt.	On what account.	Provision for Payment.
Colombo ... ..	Ra. c. Nil.	Nil.	Nil.
	183,837 9	Waterworks construction ...	Water-rate at 6 per cent. on properties within certain portions of the Municipality, by Ordinances Nos 18 and 29 of 1894.
	95,373 64	Acquisition of lands over reservoir	Bond assigning portion of water-rate authorised by Ordinance No. 7 of 1887.
Kandy ... ..	24,000 0	To widen Victoria Drive and clear lake silt.	Bond assigning proportion of rates and taxes under sections 127 (a) and (b), 128, 129, and 130 of Ordinance No. 7 of 1887.
	15,358 45	For repairing main sewer and constructing drains.	Do.
	59,871 86	Construction of waterworks ...	A water-rate of 5 per cent. is levied within the Fort for repayment of water works loan.
Galle ... ..	39,642 59	Sanitary improvements ...	Mortgage of stamp duties on licenses or carts, boats, and coaches; fees and stamp duties under Licensing Ordinances, 1873, and 1877, for payment of loan for sanitary improvements.

# STATEMENT OF DEBTS OF LOCAL BOARDS AND BOARDS OF IMPROVEMENT AT THE END OF 1902, WITH PROVISION FOR PAYMENT.

CEYLON, 1902.

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Name of Board.	Balance of Loan.	On what Account.	Provision for Repayment.
	Ra. c.		
	5,427 20	For construction of a public market.	Repayable from Local Board revenue by a sinking fund of 2 per cent. on the original loan of Rs. 6,784.
Badulla ...	12,768 0	For waterworks ...	Repayable from Local Board revenue by a sinking fund of 2 per cent. on the original loan of Rs. 15,200.
	3,440 0	Do. ...	Repayable from Local Board revenue by a sinking fund of 2 per cent. on the original loan of Rs. 4,000.
	2,250 0	Do. ...	Repayable from Local Board revenue by a sinking fund of 2 per cent. on the original loan of Rs. 2,500.
Puttalam ...	5,600 0	For waterworks ...	Repayable from Local Board revenue by a sinking fund of 2 per cent. on the original loan of Rs. 7,000.
Chilaw ...	14,250 0	For reclaiming marshy land adjoining Chilaw River.	Repayable from Local Board revenue in ten annual instalments.
Ratnapura	1,833 32	For waterworks ...	Repayable from Local Board revenue at the rate of Rs. 458 33 per annum.
Negunbo ...	8,000 4	For the construction of a bridge...	To be repaid from Local Board revenue in seventeen years.
	11,760 0	For construction of a market ...	Repayable from Local Board revenue by a sinking fund at the rate of 2 per cent. on the original loan.
Nuwara Eliya ...	2,400 0	For market construction.	Repayable from Local Board revenue in ten years.
	75,914 45	For waterworks ...	Repayable from Local Board revenue by a sinking fund at the rate of 2 per cent. on the original loan.

Statement of Debts of Local Boards and Boards of Improvement at the end of 1902, with Provision for Payment—  
*continued.*

Name of Board.	Balance of Loan.	On what Account.	Provision for Repayment.
Nuwara Eliya ... ( <i>continued.</i> )	Ra. c 8,640 0 9,000 0 2,700 0 13,882 56	For construction of a reading room. Improvement of the park ... For construction of model dwellings. For construction of model dwellings and extension of water-works.	Repayable at the rate of 1 per cent. on the original loan of Rs. 9,000. Repayable by a sinking fund at the rate of 10 per cent. on the original loan of Rs. 10,000. Repayable by a sinking fund at the rate of 10 per cent. on the original loan of Rs. 3,000 Repayable from Board of Improvement Revenue.
Batticaloa ...	14,000 0 200 0	For construction of market ... For opening the general cemetery	Repayable from Local Board revenue by a sinking fund at the rate of 2 per cent. on the original loan of Rs. 20,000. Repayable from Local Board Revenue in seven years.
Trincomalee ...	2,490 0 2,550 0	For drainage of the town... For improvement of the Fishers' quarters.	Repayable from Local Board revenue in ten years. Repayable from Local Board revenue in fifty years.
Gampola ...	5,580 0 12,391 88	For construction of market ... For water supply ...	Repayable from Local Board revenue. Repayable from Local Board Revenue by a sinking fund at the rate of 2 per cent. half-yearly.
Nawalapitiya ...	7,496 38	For drainage of the town...	Do.
Hatton and Dikoya ...	6,500 0	For drainage of main streets ...	Repayable from Local Board revenue by annual instalments.
Matale ...	3,200 0	For building public market ...	Do.

## II.—TRADE, AGRICULTURE, AND INDUSTRIES.

### (A) IMPORTS AND EXPORTS.

1. The annual value of the trade of the Colony for the last five years was:—

Year.			Imports.		Exports.		Total.	
			Rs.	c.	Rs.	c.	Rs.	c.
1898	...	...	87,525,034	97	93,801,890	13	181,326,925	10
1899	...	...	101,542,220	61	111,405,649	99	213,007,870	60
1900	...	...	114,544,256	41	106,006,460	55	220,550,716	96
1901	...	...	104,050,036	12	100,182,170	0	204,232,206	12
1902	...	...	97,883,263	50	110,731,670	0	208,614,933	50

### *Imports.*

2. The value of the imports for the year 1902, including specie (Rs. 11,585,002.55), was Rs. 109,468,266.05.

3. The value of imports and specie imported into each Province during 1902 was—

—				Value.			
<i>Value of Imports.</i>				Rs.	c.	Rs.	c.
Western Province	...	...	...	88,595,590	72	97,883,263	50
Northern Province	...	...	...	3,340,816	8		
Southern Province	...	...	...	4,646,133	91		
Eastern Province...	...	...	...	1,300,722	79		
<i>Value of Specie.</i>							
Western Province	...	...	...	...	...	11,585,002	55
Total	...	...	...	...	...	109,468,266	5

The decrease of Rs. 6,166,772.62 in the value of imports, omitting specie, as compared with 1901 is mainly due to a decrease in the value of Government stores and coal, and also to the omission of the value of Military stores.

4. Comparing the imports of 1902 and 1901—

The duty on arms and ammunition has fallen from Rs. 75,152.34 to Rs. 57,652.19, a decrease of Rs. 17,500.15, due principally to smaller importations of gunpowder and dynamite.

Cotton, manufactured and raw, shows a total value of Rs. 6,562,282.36 against Rs. 6,327,293.48, and duty of

Rs. 260,884.44 against Rs. 248,629.20. Comparing the value of imports from various countries it is found that there is a decrease of Rs. 268,467.07 from the United Kingdom, and an increase of Rs. 401,238.09 from British Colonies and of Rs. 102,218.36 from foreign countries.

Chemicals, dye stuffs, and tanning substances show a decrease of Rs. 554.24 in duty.

Cement (exclusive of the quantity imported as Government stores) shows a decrease in value of Rs. 35,300.94 and in quantity of 444½ tons. The quantity imported as Government stores was valued at Rs. 637,595, against Rs. 429,634.06 in 1901.

Coal, Coke, and Patent Fuel.—The quantity imported was 352,159 tons, against 627,728 tons in 1901, a decrease of 95,569 tons, British India alone contributing 89,019 tons to the decrease. The imports to both Colombo and Galle were less than in 1901 by 91,691 tons and 1,792 tons respectively.

Kerosine oil shows an increase of 373,783 gallons on the quantity imported, of 127,483 gallons on the quantity entered for home consumption, and of Rs. 31,910.80 in duty, but there is a decrease of Rs. 445,642.03 in value.

Food Stuffs.—Biscuits, fish, and ghee show an increase in both value and duty. Butter, cheese, potatoes, curry stuffs, ham and bacon, and provisions unenumerated show a decrease in value and duty. Beef and pork and wheat flour show an increase in value, but a decrease in duty.

Grain.—The quantity of rice cleared for home consumption was 8,873,871 bushels, against 8,951,650 bushels. The duty recovered on all grain amounted to Rs. 2,873,151, that on rice alone being Rs. 2,575,168.64.

There is a decrease in the value of live stock imported of Rs. 170,951.04. The number of cattle rose from 29,093 to 29,232, of horses from 453 to 469, but that of sheep and goats fell from 111,733 to 103,806. The average value set upon a horse was Rs. 249, against Rs. 342 in 1901.

Metals and metalware show an increase in value of Rs. 177,296.53.

Manures of all kinds.—There is an increase in quantity of 4,055 tons, and in value of Rs. 387,140.70.

Oils (excluding kerosine oil) show a decrease in value of Rs. 63,560.80, and an increase in duty of Rs. 542.47.

Opium shows an increase in the quantity imported of 273 lb.

Poonac shows an increase in quantity of 15,030 cwt.

Spices show an increase in value of Rs. 40,616.31, and in duty of Rs. 1,425.58.

Spirits of all kinds show a decrease in value of Rs. 22,860.31, and an increase in duty of Rs. 50,664.38. The quantity

entered for home consumption was 186,159 gallons, against 176,615 gallons in the previous year.

Sugar shows an increase in quantity of 29,644 cwt., and in duty of Rs. 91,200.23.

The imports of specie show an increase of Rs. 3,008,112.55, gold showing an increase of Rs. 5,424,622.05, and silver a decrease of Rs. 2,416,509.50.

Silk manufactures of all kinds show a decrease in value of Rs. 237,789.48, and in duty of Rs. 11,935.98.

Tobacco shows a decrease in quantity of 37,632 lbs., and cigars an increase of 1,720 lbs.

Woollen manufactures show a decrease in value of Rs. 165,430.94, and in duty of Rs. 4,984.73.

Wines of all kinds show a decrease of Rs. 22,831.52 in value, and an increase of Rs. 163.08 in duty, the total quantity entered for home consumption being 57,971 gallons, against 57,007 gallons in 1901.

### *Exports.*

1. In 1902 the value of exports amounted to Rs. 111,900,170, distributed as follows:—

Exports.				Value.	
				Rs.	c.
Ceylon produce	...	...	...	96,771,467	0
Imports re-exported	...	...	...	1,462,923	0
Specie	...	...	...	1,168,500	0
Coal for use of steamers	...	...	...	12,497,280	0
Total	...	...	...	111,900,170	0

2. Compared with 1901, Ceylon produce shows an increase of Rs. 10,794,057, attributable to larger shipments of tea, the valuation of which has also risen from 33 cents a pound to 38 cents in the year under review. Imports re-exported also show an increase of Rs. 189,223; the value of coal exported for the use of steamers shows a decrease of Rs. 433,780; and the exports of specie of Rs. 1,489,678.

3. The value of exports to the United Kingdom rose from Rs. 50,158,739 in 1901 to Rs. 53,643,256. Exports to British Colonies fell from Rs. 18,994,800 in 1901 to Rs. 17,318,766, while exports to foreign countries rose from Rs. 20,755,749 to Rs. 28,440,868. The exports of tea to Russia (Asiatic and European) rose by 1,806,516 lbs., and to the United States of America by 2,201,513 lbs., which is more than the entire exports of 1901. The value of exports to Russia (Asiatic and

European) of Ceylon produce rose from Rs. 4,069,415 to Rs. 4,502,897, and to the United States of America from Rs. 5,458,167 to Rs. 9,980,737. The rise in the value of exports to the latter is attributable chiefly to larger exports of tea, plumbago, and cocoanut oil.

4. In the staple articles of export, cardamoms show an increase of 1,026 cwt., and cacao of 114,005 cwt. Cinnamon exported fell from 39,810 cwt. to 38,981 cwt. in 1902. Coir yarn, fibre, and rope exported from the two principal ports (Colombo and Galle) has increased by 1,056 cwt.; copperah exported from Colombo and Galle shows a decrease of 74,590 cwt. The exports of citronella oil have increased by 1,354,831 ozs. Of tea, the quantity exported rose from 144,275,608 lbs. in 1901 to 150,829,707 lbs. Of plumbago, 503,778 cwts. were exported in 1902, as against 446,960 cwts., but there was a fall in value from Rs. 430 in 1901 to Rs. 417.50 per ton.

#### (B) MINES, MANUFACTURES, AND FISHERIES.

1. The plumbago industry though still depressed showed signs of revival. Prices were slightly higher during the year, and in consequence increased activity was shown in almost every district where this mineral occurs, followed by an increased output. From the North-Western Province alone 1,200 tons more plumbago was sent down to Colombo than in 1901.

2. A small quantity of mica is annually exported, but little interest is shown in this industry, which seems capable of further development.

3. During the year an expert was employed by Government in prospecting for gold, but, although indications of the metal were found in many places, it was nowhere found in quantities likely to pay the expense of mining.

4. In Ratnapura District 427 gem pits were open, as against 416 in 1901; the principal stones found being rubies and cats'-eyes. In Kandy District moonstones continue to be mined.

5. The Mineralogical Survey which has been arranged for will throw further light on mining prospects in the Island.

6. The principal manufactures continue to be vegetable oils, copperah, desiccated cocoanut, coir, cotton cloth woven on hand looms, jaggery, bricks, tiles, mats, baskets, tobacco, jewellery, furniture. To these should be added arrack, rum, and leather. The two latter are chiefly consumed in the Island, but the demand for arrack for export is increasing. There are also numerous soda water factories and one brewery, the products of which are principally consumed in the Island.

7. Salt is manufactured in large quantities by evaporation from sea water, and is a Government monopoly. It is a precarious industry, largely dependent on the weather, and proposals are under consideration for increasing the output. A simple contrivance for increasing and regulating the supply of sea water to the pans where salt is formed in the Southern Province has been adopted with great success.

8. The fisheries continue to afford a means of livelihood to a very large portion of the population. The trawling operations started in 1901 by an enterprising native gentleman were continued, but in spite of the fact that an improved steam trawler was imported did not prove a success, and have now been abandoned.

Three fish-curing yards opened by Government in the North-Western Province continue to give employment to a number of persons during the fishing season (north-east monsoon), but, in spite of the facilities offered, are not financially successful.

9. Investigations regarding the pearl oyster in continuation of the inquiry commenced by Professor Herdman are being continued by his assistant, who has been placed in charge of a small marine laboratory at Galle. It is hoped that this institution may be useful incidentally to the fishing industry generally, as well as helping to solve the difficulty as regards the pearl oyster. Meanwhile a successful transplantation of young pearl oysters from the more exposed banks to quieter waters has been made, and an inspection of the pearl banks late in the year showed every promise of the successful fishery which has since been made. Professor Herdman's final report has not yet been received.

#### (c) AGRICULTURAL INDUSTRIES AND BOTANICAL STATIONS.

1. The chief agricultural products continue to be paddy, tea, cocoanuts, cacao, tobacco, and spices.

2. The area under paddy cultivation increases very slowly, and it is doubtful whether the home-grown paddy suffices for more than one-third of the total rice consumption of the Island, the other two-thirds being imported.

3. The production of tea all over the Island has increased slightly, and the proportion of green tea has more than doubled, some 4,000,000 lbs. having been made. The prices have been slightly lower, 6½*d.* being the average price against 7*d.* in 1901; but this is not due to any falling off in the quality of the tea produced, but to the condition of the home market, which was rather over-burdened with stocks. Though the weather, especially during the latter part of the year, has been most unfavourable for both the health of the tea bush and the production of leaf, tea estates have not suffered

to any special degree from diseases. "Gray Blight" has been active in various parts, but not so much as seemed probable from the climatic conditions. More cases of root disease have been recorded, but this is no doubt due to the fact that planters now recognise the cause of the death of the bushes, and not that this evil is on the increase. Very little, if any, tea has been planted, and the prospects of the industry seem generally hopeful.

"Shot-hole Borer" and *Helopeltis*, and later in the year the Lobster Moth, did some damage, but the advice of the Government Entomologist was sought, and means have been taken to combat all of these pests.

4. Coffee production remains about the same, the slight increase being due to a rather better yield than usual. The leaf disease shows no sign of abating.

5. Cocoanuts are receiving more attention from planters, both European and native, and the cultivation of this useful palm has generally improved. The exports of cocoanut oil and poonac have increased, of copperah a little decreased, and the cocoanuts exported whole are also less than 1901. The prices of all the various marketable produce of the cocoanut palm have been maintained.

6. The condition of cacao in the Island is prosperous, but not without an element of danger. The crops have been plentiful, and show an increased production of nearly 20 per cent. Not much of this is due to new cacao coming into bearing; it is chiefly owing to improved crops on the majority of estates. The abnormal rainfall in the cacao districts (about 25 per cent. above the average) has been in favour of the spread of the canker fungus, and on many estates the position in regard to freedom from canker is very little, if any, better than last year.

7. Para rubber is rapidly taking its place as one of the most important of the cultivations of the Island, and has been planted up in various climates at different elevations, but will be found no doubt most profitable at the lower elevations. During the year some 250,000 seeds have been distributed from the trees in the Henaratgoda Garden. Good yields have been obtained, and the best methods of getting rid of the water and preparing the "biscuits" for the market are beginning to be understood and practised. Prices have been kept up to a high figure, over 4s. having been obtained for a large quantity. Proposals for experimental plantations of Para rubber under irrigation works in the dry zone are being considered.

8. Exports of cocoanut oil rose from 474,188 cwts. in 1901 to 551,391 cwts. in 1902, but exports of copperah fell from 451,825 cwts. in 1901 to 377,235 cwts. in 1902.

The citronella industry is still in a depressed condition, and showed a falling off of about 15 per cent. The continual adulteration of this oil with kerosine and other cheap oils, which are difficult to detect, has lowered the value of this oil, and the price, about 9*d.* per pound, does not make this cultivation sufficiently remunerative. Until by means of putting sound oil on the market a clean name is obtained for the Ceylon article, it cannot be hoped that the best prices, often 1*s.* 3*d.* can be obtained. There is a large demand for this oil, if pure, but there are various substitutes if the article falls below a certain standard. Exports of cinnamon oil showed a small increase over the figures for 1901.

9. As regards spices, there are now more than 8,000 acres of cardamoms under cultivation in Ceylon. The quantity produced has increased during 1902 by about 10 per cent., owing in a great measure to the abundant rainfall in all the cardamom districts. The prices do not improve. The most hopeful direction for progress with this product is in discovering the conditions which favour the fertilization of the flowers and so inducing an increase of fruit. Meanwhile efforts are being made to open up new markets for this spice.

Pepper is only cultivated as a subsidiary product on cacao and other estates in Ceylon, and it is consequently not of very high quality, and no special efforts have been made to improve it. The quantity produced was about the same as in 1891. Vanilla planting has been but little extended, and the quantity and quality of the pods have not improved.

10. Camphor continues to be planted up in various up-country districts. At the present time the supply is not equal to the demand, and the price, which some few years ago was 50*s.* per cwt., is now often over £10. The market would be able to stand an increased production, though this would tend to lower prices, but with a lower price there would arise a greater demand than at present.

Tobacco cultivation remains at much the same figure. Experiments were conducted during the year by an expert on behalf of a private syndicate, with a view to securing an improved method of curing the leaf, but it is understood that these have not so far been successful.

11. To Botanical stations two important additions were made during the year. The first of these is the experiment station opened on Gangaruwa estate, adjoining the Royal Botanic Gardens at Peradeniya. The purchase of this estate by Government was negotiated in the preceding year, but experimental work was actually organized only in 1902.

The object of the station is to add to existing knowledge of economic products by using scientific methods in experiment and observation. Such questions as the best methods of cultivation of plants already being cultivated for profit with a

view to improving these; the prevention and cure of the diseases associated with cultivated plants; the introduction of new and untried plants of possible economic value; the improvement, by selection and other scientific methods, of economic plants; the determination of the value of various manures for different crops; the value of shade for each product; and the best trees and number of them to be used—these and many other points of vital importance to agriculture in Ceylon, and the tropics generally, will be experimented on and the knowledge gained published.

The other addition is the opening up of a small experimental garden of about five acres at Nuwara Eliya. The climate of Nuwara Eliya differs from that of Hakgala, and many plants which prosper at the lower elevation will not grow vigorously at Nuwara Eliya. The older gardens at Peradeniya, Hakgala, and Henaratgoda continue to do useful work.

12. Mention should also be made of the important industry of stock raising. Enormous numbers of cattle (including buffaloes) are raised all over the Island, being used chiefly for agricultural purposes. In most districts pasture is insufficient or innutritious, and as a result of this and of carelessness in breeding the native cattle show signs of degeneration, but efforts are being made at improvement by provision of stud bulls, by introducing castration of underbred animals, and by providing better pasturage where possible; and even in his present state the native bull is an exceedingly hardy and useful draught animal.

For heavy draught purposes large numbers of cattle are imported from India, while on up-country estates stock imported principally from Australia, or bred from animals so imported, is increasing, the animals being kept both for dairy purposes and for manure.

In Colombo the Government maintains a dairy mainly to supply the hospitals with milk, but it serves also as a stock farm, from which cattle of improved breed are distributed.

Horse breeding is carried on with some success by the Government in the island of Delft off the north-west coast. The establishment was taken over from the Dutch, and was for many years much neglected, but of recent years it has been re-organized, and very serviceable animals are now bred. A few private owners have also attempted horse and pony breeding in various parts of the Island, but with only moderate success, the climate and conditions being generally unfavourable to horse breeding.

Goats are kept in large numbers principally by Tamils for food. A less number of sheep is kept. Pigs abound, and are largely used for food in the Maritime Districts, but no attention is paid to their breeding or food.

**(D) LAND GRANTS AND VALUE OF LAND.**

1. In 1902 38,117 acres of land were alienated by the Crown by sale or settlement, as against 24,102 acres in 1901. The amount realized was Rs. 737,539, or an average of Rs. 19.34 an acre.

2. Under Sir Henry Ward's Minute 7,028 acres of irrigable land were sold in 1902, as against 4,517 in 1901. Of the balance 31,089 acres, 28,167 acres was purchased by natives, as against 2,922 acres purchased by Europeans.

3. During the year the operations of the Survey Department comprised block surveys of 212,858 acres, topographical surveys of 1,961,600 acres, and application surveys of 34,293 acres, or a total of 2,208,751 acres in addition to acquisition and irrigation surveys.

**(E) SHIPPING.**

1. The shipping returns for the Island show an increase of 44 vessels and an increase of 926,686 tons :—

—	1901.		1902	
	No.	Tons.	No.	Tons.
Entered ... ..	3,367	4,557,607	3,418	4,981,584
Cleared ... ..	3,436	4,470,963	3,429	4,973,672
Total ... ..	6,803	9,028,570	6,847	9,955,256

2. The number and tonnage of steamers and sailing vessels entered inwards and cleared outwards during the year 1902, exclusive of those calling to coal and for orders at Colombo and Galle, are shown :—

	Steamers.		Sailing Vessels.		Total.	
	No.	Tons.	No.	Tons.	No.	Tons.
Colombo						
{ Inwards ... ..	1,887	4,524,032	546	50,239	2,483	4,574,271
{ Outwards ... ..	1,895	4,559,122	540	46,251	2,435	4,605,373
Total ... ..	3,782	9,083,154	1,086	96,490	4,868	9,179,644
Galle—						
{ Inwards ... ..	162	301,295	15	1,231	177	302,526
{ Outwards ... ..	158	294,044	10	699	168	294,743
Total ... ..	320	595,339	25	1,930	345	597,269

3. The arrivals at the Port of Colombo in the year 1902 numbered 1,887 steamers aggregating 4,524,032 tons, and 546 sailing vessels aggregating 50,239 tons, showing an increase in steamers of 83 aggregating 412,515 tons, and in sailing vessels an increase of 3 aggregating 2,631 tons, as compared with the preceding year.

The arrivals at the Port of Galle in 1902 numbered 162 steamers aggregating 301,295 tons, and 15 sailing vessels aggregating 1,231 tons, showing a decrease in steamers of 4, but an increase in tonnage aggregating 1,627 tons, and in sailing vessels an increase of 1 aggregating 249 tons.

4. The total collection of harbour dues at Colombo during the year 1902 amounted to Rs. 1,104,013.26, a decrease of Rs. 19,415.12 from the preceding year, and Rs. 42,756.07 from the year 1900, the collections of which were abnormally large owing to heavy importation of rice, but a satisfactory increase over the collections of all previous years.

5. The nationality of vessels inwards and outwards during 1902 for the Island is thus made up:—

Nationality.	Entered Inwards.		Cleared Outwards.	
	No.	Tons.	No.	Tons.
British ... ..	1,608	3,372,284	1,636	3,866,823
Colonial ... ..	1,259	105,621	1,242	103,170
Austrian ... ..	56	176,791	56	176,791
French ... ..	123	297,692	123	297,692
German ... ..	165	647,691	165	647,691
Japanese ... ..	62	220,136	62	220,136
Maldivian ... ..	86	8,342	86	8,342
Russian ... ..	32	77,902	32	77,902
Danish ... ..	2	3,285	2	3,285
Spanish ... ..	23	69,685	23	69,685
Norwegian... ..	1	571	1	571
Dutch ... ..	1	1,584	1	1,584

6. Compared with the years 1898, 1899, 1900, and 1901, the result inwards and outwards is as follows:—

*Inwards.*

1898.—A decrease of 133 vessels, but an increase of 1,375,878 tons.

1899.—A decrease of 427 vessels, but an increase of 1,259,802 tons.

1900.—An increase of 271 vessels, and an increase of 731,518 tons.

1901.—An increase of 51 vessels, and an increase of 423,977 tons.

*Outwards.*

1898.—A decrease of 117 vessels, but an increase of 1,496,737 tons.

1899.—A decrease of 411 vessels, but an increase of 1,256,249 tons.

1900.—An increase of 226 vessels and an increase of 735,798 tons.

1901.—A decrease of 7 vessels, but an increase of 502,709 tons.

7. The total harbour dues collected at the Port of Colombo during the year ended December 31, 1902, are shown under the different headings:—

—					Amount.	
					Rs.	c.
Entering dues...	...	...	...	...	258,727	50
Tonnage dues...	...	...	...	...	343,111	75
Over-hour dues	...	...	...	...	16,342	50
Wharfage dues	...	...	...	...	430,635	16
					1,048,816	91
Dues collected on live stock...	...	...	...	...	55,196	35
Total ...					1,104,013	26
Total collection for the year 1901 ...					1,123,428	38
Decrease ...					19,415	12

## III.—LEGISLATION.

Twenty Ordinances were passed during the year, the principal of which were—

An Ordinance to provide for the Registration of Written Authorities and Powers of Attorney.

An Ordinance to regulate the Employment of Natives outside the Island.

An Ordinance for the Prevention of Accident by Explosives.

An Ordinance relating to the Ceylon Railways.

An Ordinance relating to the Wanton Destruction of Elephants, Buffaloes, and other Game.

An Ordinance relating to the Construction, Upkeep, and Repair of Estate Roads.

- An Ordinance to provide for the increase of the Export Duty on Tea.
  - An Ordinance to impose Stamp Duty on Civil Cases tried by Village Tribunals.
  - An Ordinance to limit the number of Lashes or Strokes which may be inflicted in cases where the punishment of whipping is awarded.
  - An Ordinance for the better regulation of Printing Presses and of Books and Papers published in Ceylon.
  - An Ordinance to amend "The Lepers' Ordinance, 1901."
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#### IV.—EDUCATION.

##### (A) PRIMARY EDUCATION: MAIN FEATURES AND NUMBER OF SCHOOLS for 1901.

Schools are classed as Primary when the work is confined to the first five standards, Middle when they include any standard above the fifth, and High when they include what in England would be classed as secondary education, *e.g.*, preparation for Cambridge Local Examinations, London University Examinations, and Indian University Examinations.

It should be noted that the distinction between primary and secondary education is not very clearly drawn in Ceylon. In most of the English schools which prepare candidates for the highest examinations the lower part of the school is organized according to the Government schedules, and the pupils are presented for the same grant-in-aid examination as the primary schools. Many of the children belong to a class which would in England be attending elementary schools. Allowance must be made for this in scrutinizing the figures which follow. For instance, the number of girls receiving primary English instruction appears as only 2,706; but primary instruction of exactly the same kind is also being given to a considerable number of the 2,171 girls who are attending English high schools.

##### (A) PRIMARY EDUCATION.

1. The number of children receiving primary education in Government and aided schools was in 1902 181,724, of whom 132,002 were boys and 49,722 were girls. Of this total, 59,048 were attending Government schools, and 122,676 were attending aided schools. The total number of the schools here classed as primary was 1,891, of which 512 were Government schools and 1,379 were aided schools. Primary education in English

was being given to 18,763 children; 16,057 boys and 2,706 girls. The remainder, viz., 162,961 children, were receiving instruction in the vernacular only; of this number, 115,945 were boys and 47,016 were girls. The cost of the Government schools was Rs. 328,077.69, and the sum paid in grants to the aided schools was Rs. 477,562.31.

2. In addition to the above, there were 1,753 unaided schools, which furnished numerical returns to Government; in these 37,004 children were said to be receiving instruction. But in most cases the numbers furnished by such schools are quite unreliable, and the education provided is of extremely little value.

3. In considering how far the elementary education provided is adequate to the wants of the population, the number of those receiving higher instruction should be added to the above figures; this gives as the total number of children attending schools 189,403, i.e., slightly over 6 per cent. of the population. It may be inferred that three-fifths of the children of school-going age are getting something in the way of education. Probably rather more than half are learning to read and write, for a large proportion of children leave school after passing the Second or Third Standard. The number presented for examination in the Fourth Standard is less than two-thirds of the number presented in the First Standard.

4. The children who are receiving no education at all are mainly those living in outlying country districts. The towns, as a rule, are well provided for by Missionary schools and other private agencies. The only exception to this is Colombo, where the problem of educating the poorer classes is beyond the power of the Missionary bodies, and has not yet been finally solved by the Government, though consideration is being given to the matter.

5. Provision for compulsory attendance forms a part of the Gansabhawa rules in most country districts; in many of these it is enforced with creditable vigour. In others, owing to the apathy of headmen and other local officials, the rules on the subject are a dead letter. In most country districts and in all towns there is at present no means of enforcing school attendance.

6. The utility of many of the rural Government schools is considerably enhanced by the school gardens scheme which was started in 1901. In certain selected schools the local authorities have provided land, from about half an acre to an acre; the Instruction Department supplies implements and seeds. The scheme is worked under the supervision of a Superintendent of School Gardens.

#### (B) SECONDARY EDUCATION.

7. The only Government institution devoted to secondary education is the Royal College, Colombo, in which the number

of pupils has for some years averaged a little over 280; in 1902 it averaged 299. The pupils in the upper part of the College are presented for the Cambridge Local Examinations (Senior and Junior), London University Matriculation, and Intermediate in Arts. The staff consists of 19 masters, five of whom hold English University degrees. The gross cost to Government in 1902 was Rs. 43,583.13, of which the sum of Rs. 20,135 was recovered in school fees. Besides the Royal College, there are 44 aided high schools, educating 7,044 pupils, of whom 4,873 are boys and 2,171 are girls.

There are also 1,753 unaided institutions, at which 37,004 pupils are said to be under instruction, but only a very small number of these are really receiving secondary education.

8. The encouragement offered by Government takes two forms: (a) Grants, (b) Scholarships:—

(a) In aided schools grants for specific subjects as well as for work in the standards are paid on the results of the Government examination in each school. Liberal grants are also paid for every pupil who obtains honours in the Senior or Junior Cambridge Local Examination, or who passes the London University Matriculation Examination or Intermediate in Arts. The total sum expended in grants to high schools in 1902 was Rs. 36,388.50. The experiment of allowing "block grants" to certain selected schools was continued with success, but the scheme has not yet passed the experimental stage.

(b) The English University Scholarship of £200 for four years is awarded annually on the results of a special examination held by the Oxford and Cambridge Joint Board for School Examination.

The Gilchrist Scholarship of £150 for three years for Mathematics and Science has since 1883 been awarded once in three years on the results of the Senior Local Examination. It has now been withdrawn by the Trustees.

One scholarship of Rs. 240 for three years is awarded annually to girls on the results of the Senior Cambridge Local Examination. On the results of the Cambridge Junior Local Examination one scholarship of Rs. 240 for three years and two of Rs. 120 for three years are awarded annually to boys, and two scholarships of Rs. 120 for three years are awarded annually to girls. In 1902 the total sum expended in scholarships was Rs. 18,006.90.

9. On the whole, very creditable results are obtained in these examinations, by which secondary education is tested. In 1902 four candidates passed the London Matriculation, one in the First Division, three in the Second Division; one candidate

passed the London Intermediate Examination in Laws in the Second Division; 108 candidates passed the Senior Cambridge Local Examination, 22 obtaining honours; 157 passed the Junior Cambridge Local Examination, 21 obtaining honours.

(C) INDUSTRIAL SCHOOLS AND TECHNICAL AND TRAINING COLLEGES.

10. There are no Government industrial schools, but industrial education is supported by a liberal grant. In 1902 the aided industrial schools, which are 36 in number, received grants amounting to Rs. 48,279.49. These schools are under the management of the Church of England, Roman Catholic, Wesleyan, and American Missions. The number of pupils in them was 1,981. The trades taught were dressmaking 157, lacemaking 805, embroidery 453, cooking 2, spinning 20, tailoring 108, shoemaking 6, joinery and cabinet-making 209, printing 88, bookbinding 122, ironwork 11. In some of these schools the work is excellently organized, each trade being under a skilled foreman, and sufficient outlay having been made to supply a really adequate stock of tools and plant. This is specially the case with the Roman Catholics, who place trained lay brothers in charge of each trade. In others the outlay on tools and plant has been insufficient, the trades are supervised by native foremen of an inferior character, and the management is in the hands of those who have no practical knowledge of the industries which are being taught. In 1898 an important step was taken in the direction of better organization. A schedule was drawn up mapping out three years' work in joinery, printing, and bookbinding, and prescribing tests, the passing of which in future will be a necessary condition of earning a grant. These schools, which form the only provision for elementary technical education, may be expected in the future to increase considerably both in number and efficiency.

11. Higher technical education is provided for by the Technical College, a Government institution established in 1893. In 1897 it was re-organized, and its work largely extended. It is now the regular channel of admission for Ceylonese to the following Departments of Government:—Public Works, Survey, Railway, Post and Telegraphs. It contains Departments of Civil Engineering, Mechanical Engineering, Telegraphy, Electrical Engineering, Surveying, and Levelling. In 1902 the number of students was 165. The gross cost to Government was Rs. 39,087.44, of which sum Rs. 7,572.05 was recovered in fees and by sale of stationery, &c., to students.

12. Since the abolition of the old Normal School in 1884 there has been no provision for the training of English Teachers in Ceylon. An attempt has been made to supply this most serious want by opening a Government Training College in Colombo.

## V.—GOVERNMENT INSTITUTIONS.

### (A) HOSPITALS

1. A new District Hospital was opened during the year at Maturata, making a total of 67 hospitals and asylums, as against 66 in 1901.

2. In the Civil and Lying-in Home Hospitals there were 43,973 cases treated with 3,698 deaths, being 24 cases more and 521 deaths less than in the preceding year. The daily average sick was 1,652.51, as against 1,647.40 the previous year.

3. In the Field Hospitals there were 4,426 cases treated with 171 deaths, against 4,680 treated and 156 deaths during the preceding year. The daily average sick was 179.46, as against 184.29 during the previous year.

The number treated in the five immigrant hospitals was 1,855, against 2,047 in the previous year. Of the total treated, the deaths numbered 84, or 6 less than the preceding year. The daily average sick was 73.49, as against 84.45 the previous year.

4. In the District Hospitals 14,928 cases were treated, against 14,816 during the preceding year. There were 2,510 deaths, as against 3,511 in the previous year. The daily average was 792.41, against 844.27 the previous year.

5. At the De Soysa Lying-in Home 737 patients were treated, of whom 9 died; at the Lady Havelock Hospital for women and children 1,072 patients were treated, of whom 83 died; at the Police hospital 740 patients were treated, of whom 1 died. At the Friend-in-Need Society's hospital, Jaffna, 163 patients were treated, of whom 49 died; at the Kanatta (Colombo) Infectious Diseases hospital 853 patients were treated, of whom 40 died. At the Grenier Eye, Ear, and Throat Infirmary (Colombo) 4,927 cases were treated, as against 4,336 in 1901.

### (B) ASYLUMS.

#### *Lunatic Asylum, Colombo.*

1. During 1902 165 patients were admitted into the asylum, which, with 463 remaining from the previous year, made the total insane population 628, of whom 410 were males and 218 females. The daily average number of inmates was 479.28. Of the total treated, 93 were discharged recovered (62 males and 31 females). There were 52 deaths, and 483 remained under treatment at the end of the year.

#### *Leper Asylum, Hendala.*

2. The Leper Asylum received 106 patients for treatment during the year, which, with 276 remaining from the previous year, made the total leper population 382. The daily average in the asylum was 225.25. Of the total treated, 30 were discharged improved; 41 died.

*Kalmunai Leper Ward.*

3. At this institution 30 lepers were treated during the year, of whom 19 were discharged relieved, 2 died, and 9 remained under treatment at the end of the year.

**(c) POOR HOUSES.**

There are no poor houses. In Colombo and in most of the other large towns there are Friend-in-Need Societies, to which grants are made by Government, and from these, supplemented by private subscriptions, much distress is relieved. In country districts relief is afforded by means of a limited grant made by Government and administered by the revenue officers. In considering the question of relief of distress from public funds it must be remembered that in a country where alms-giving may be said to be almost a religious observance, the cases of distress for which no private means of relief are available are comparatively few.

**(d) REFORMATORIES.**

Maggona continues to be the only reformatory. It is under private management, and Government continues to pay at the rate of Rs. 7.50 a month for maintenance of each juvenile offender received.

**(e) SAVINGS BANKS.**

There are two Savings Banks under Government control.

*The Ceylon Savings Bank.*

1. The total funds at credit of depositors at the end of 1902 were Rs. 4,173,543, as compared with Rs. 3,976,660 in 1901. The total deposits during the year were Rs. 1,688,751, as against Rs. 1,576,655 in 1901. The total number of depositors was 29,846, as against 27,694 in 1901.

*The Post Office Savings Bank.*

2. The total funds at credit of depositors at the end of 1902 were Rs. 1,454,858, as compared with Rs. 1,322,613 in 1901. The total deposits during the year amounted to Rs. 927,310, as against Rs. 786,261 in 1901; while the number of depositors was 57,007, as against 54,426 in 1901.

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**VI.—JUDICIAL STATISTICS.****(A) POLICE.**

1. The authorized strength of the Police on 31st December, 1902, was 4 Superintendents, 6 Assistant Superintendents, 27 Inspectors, 9 Sergeant-Majors, 222 sergeants, 1,484 constables,

1 drill instructor, 1 registrar of servants, 59 clerks, 1 store-keeper, 1 lockup-keeper, 4 magazine-keepers, 10 coolies, and 1 apothecary, being a total of 1,830.

The total cost of the Ceylon Police in 1902 was Rs. 738,014; the cost in 1901 was Rs. 730,840.

2. The police stations established in connection with the prisoners of war at Welimada and Haputale in the Province of Uva, and Kelaniya and Ragama in the Western Province, and maintained by the Imperial Government, were abolished in consequence of the removal of prisoners of war from the Island.

3. The figures show that there were 17,374 true cases committed in 1902. Of these, 12,229 resulted in convictions in the Police Court or were committed to higher courts.

4. The true cases and results for the last five years have been—

Year.	True cases.	Convictions or Committals.
1898 ... ..	15,312	10,673
1899 ... ..	14,484	10,173
1900 ... ..	17,703	12,990
1901 ... ..	17,690	12,793
1902 ... ..	17,374	12,229

5. Of the 17,374 cases, 12,901 appear under the head of "Other Offences," which include statutory offences, breaches of Municipal and other bye-laws, and other minor offences, leaving 4,473 cases of what may be considered as crime. In 1901 the "Other Offences" amounted to 13,128, leaving 4,562 cases of crime; there has therefore been a decrease of 89 cases of crime.

6. The following table gives a ready means of comparison of serious crime for the past five years:—

—	1898.	1899.	1900.	1901.	1902.
Murder and homicide ... ..	127	125	146	160	146
Rape ... ..	38	39	32	36	22
Robbery ... ..	312	269	289	382	326
Burglary ... ..	638	977	1,245	1,384	1,433
Grievous hurt ... ..	500	371	891	441	447
Theft of cattle and prædial produce.	1,076	885	1,119	1,127	1,185
Arson ... ..	Not available.	145	98	148	156
Biot ... ..		14	3	10	16

7. The convictions in the Superior Courts for the past five years are as follows :—

Year.			Supreme Court.	District Court.
1898	...	...	375	763
1899	...	...	279	452
1900	...	...	328	611
1901	...	...	468	646
1902	...	...	268	611

It should be noted that in 1902 194 cases were sent to the District Court and 28 cases to the Supreme Court under the Habitual Criminals' Ordinance. Had there not been previous convictions of the offenders, these cases would have been disposed of in the lower courts.

8. Of the 146 cases of murder and homicide shown, 120 cases were committed for trial, and 118 cases were tried in the Supreme Court. In 83 cases the accused were convicted, and 40 persons were sentenced to be hanged, of whom 30 were executed.

9. In 60 cases a knife or other cutting instrument was used, compared with 57 in 1901. In 24 cases clubs were the instrument, compared with 21 cases in 1901; and in 30 cases the victims were shot, compared with 27 in 1901. The use of the gun or pistol as a means of murder is increasing, and it is now premature to express an opinion on the deterrent effects of the Firearms Ordinance, which came into operation early in 1902.

10. Burglaries show an increase of 49 cases. Grievous hurt, arson, and riot show a slight increase. Theft of cattle and prædial produce also show an increase. There were 1,097 cases of theft of cattle with 267 convictions, and there were 88 cases of theft of prædial produce with 49 convictions.

11. As regards minor offences, there were 10,535 convictions for 12,901 cases, including 124 convictions for breach of Ordinance No. 3 of 1897 (Plague Prevention).

12. There was an increase of crime in the Central, Southern, and Northern Provinces. In the latter in consequence of a religious riot a punitive police force was quartered in one village with good effect.

# CEYLON, 1902.

There was a decrease in crime in the Western, North-Western, Uva, and Sabaragamuwa Provinces. In the Eastern and North-Central Provinces crime was practically non-existent as usual.

## (B) PRISONS.

1. The number of convicted prisoners, exclusive of Road Ordinance defaulters, admitted to the prisons during the year, viz., 6,369, bears favourable comparison with the admissions during the previous ten years, while it is less than in the previous year by 212.

Of the total admissions of convicted prisoners to prisons, the following figures give those from the Superior Courts for the last ten years:—

Year.					Number.
1893	...	...	...	...	655
1894	...	...	...	...	859
1895	...	...	...	...	614
1896	...	...	...	...	854
1897	...	...	...	...	1,155
1898	...	...	...	...	1,138
1899	...	...	...	...	731
1900	...	...	...	...	939
1901	...	...	...	...	1,114
1902	...	...	...	...	879

2. The admissions to prison of defaulters under the Road Ordinance, who complete the prison population of convicted prisoners, for the same periods have been—

Year.					Number.
1893	...	...	...	...	1,127
1894	...	...	...	...	826
1895	...	...	...	...	744
1896	...	...	...	...	648
1897	...	...	...	...	500
1898	...	...	...	...	379
1899	...	...	...	...	329
1900	...	...	...	...	260
1901	...	...	...	...	354
1902	...	...	...	...	237

The figure for 1902 is eminently satisfactory, being the lowest on record. It should be added that of this number

only 122 were absolute defaulters, the remainder being released on payment of the appointed fine, while of these 122 only 97 actually served their sentences. Of the rest 5 were discharged on medical certificate, and 20 were released on pardon in commemoration of the Coronation.

3. The number of convictions for murder and manslaughter for the same period has been as follows:—

Year.					Number.
1893	...	...	...	...	50
1894	...	...	...	...	82
1895	...	...	...	...	75
1896	...	...	...	...	62
1897	...	...	...	...	88
1898	...	...	...	...	58
1899	...	...	...	...	71
1900	...	...	...	...	82
1901	...	...	...	...	101
1902	...	...	...	...	81

4. The number of men sentenced to death and of those whose capital sentences were carried out are as follows:—

Year.			Sentenced to Death.	Hanged.
1893	...	...	23	12
1894	...	...	43	23
1895	...	...	26	22
1896	...	...	37	25
1897	...	...	40	20
1898	...	...	28	19
1899	...	...	27	21
1900	...	...	51	32
1901	...	...	47	37
1902	...	...	43	30

The fluctuation in the figures is somewhat remarkable, and may be due to many causes. The total number of admissions from the Superior Courts during 1902 is however lower than that of the previous year by 235. The convictions for murder and manslaughter are also lower than in the previous year, but above the average. The number sentenced to death, though slightly less than those for the two years 1900 and 1901, is higher than the total of any previous year since 1895, indicating that these crimes are not on the decrease.

5. The following table gives the number of escapes from the prisons and recaptures during past ten years, and is as follows:—

Year.			Escapes.	Recaptures.
1893	...	...	18	18
1884	...	...	5	6
1895	...	...	11	13
1896	...	...	9	8
1897	...	...	13	12
1898	...	...	10	10
1899	...	...	8	8
1900	...	...	1	1
1901	...	...	2	2
1902	...	...	81	75

The total number of escapes for 1902 is 81, the highest on record. Though classified under escapes from prisons, 79 represent escapes from the working party at the Mahara quarry outside the prison, so that only two prisoners really escaped from inside a prison, namely, one from Mahara, the other from Avisawella, a not very safe jail.

The facts connected with the escape at Mahara are shortly as follows:—On the 28th June, 1902, at about 2 p.m., the prison guard was surprised by a simultaneous rush of about one hundred prisoners from the working party at the Mahara quarry, armed with crowbars and other implements used in stone-cutting and dressing, and, overpowering the officers, 79 of the prisoners made their escape. A deputy jailer was knocked down and deprived of his revolver by one of the ring-leaders, while four overseers were beaten, wounded, and disabled by other prisoners. Both the police guard and the prison guard were quite unprepared for such a contingency, the attack being a preconcerted one, and the result was confusion. The men escaping were, however, shot at by some of the guards, who seriously wounded some of them, and the firing had the effect of preventing the other prisoners who were working in the quarry, and who no doubt were in the conspiracy, from following their more daring comrades; otherwise it is probable that all would have made their escape.

Forty were recaptured the same day and others have since been arrested, only four of the men who escaped on this occasion being still at large.

6. The daily average of convicted prisoners in jail was 2,404, as against 2,447 in 1901.

7. The number of deaths was 125, as against 121 in 1901.

8. Prison offences increased in number, but in only 143 cases was it necessary to have recourse to corporal punishment.

9. The average daily sick rate was 156, as compared with 152 in 1901 and 147 in 1900.

10. Forty-seven Europeans were convicted of offences, but none were residents of Ceylon.

11. The cost of maintaining each prisoner was Rs. 191, as compared with Rs. 174 in 1901.

### (c) CRIMINAL STATISTICS.

1. The number of cases instituted in the Police Courts and Municipal Magistrates' Courts was 74,049, in which 81,700 persons were charged, 39,603 being acquitted summarily, 39,532 convicted, and 1,950 committed before a higher court.

2. Of 2,097 committals before the Superior Courts, 1,090 resulted in a verdict for the Crown and 1,007 in favour of the accused. The number of committals in 1901 was 2,511, of which 1,272 ended in favour of the Crown.

3. In murder cases there were 63 convictions to 36 acquittals; homicides resulted in 26 convictions to 4 acquittals.

4. In the Police Courts 74,049 cases were instituted, against 71,307 in 1901, the convictions being 32,160 against 28,786. Of 2,352 persons charged with cattle stealing, 1,769 were convicted; and of 2,404 prosecutions under the Labour Laws, 772 only were unsuccessful.

5. The number of convictions in the Superior Courts fell from 1,272 to 1,090.

6. The Gansabhwawas did useful work as usual.

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## VII.—VITAL STATISTICS.

### (A) POPULATION.

The total population as enumerated at the last Census (March 1, 1901) was (inclusive of the Military, the Shipping, and the Prisoners of War) 3,578,333. The natural increase by excess of births over deaths from that date to the end of the year 1902 amounted to 71,575, while the number of Indian immigrants exceeded the number of emigrants by 35,359. The population estimated to the end of 1902 was accordingly 3,685,267, an increase compared with the population at the end of the preceding year of 66,059 persons, and equal to a rate of 1.8 per cent.

*Birth- and Death-rates.*

The births registered during the year numbered 141,893 and were in the proportion of 39.0 per 1,000 persons living. The registered deaths numbered 99,680, and were equal to a rate of 27.4 per 1,000 of the population. Compared with 1901, the birth-rate shows an increase of 1.5 per mille, and the death-rate a decrease of 2 per mille. Compared with the average rates for the decade 1892-1901, the birth-rate shows an increase of 4 and the death-rate a decrease of 1.

**(B) PUBLIC HEALTH.**

The public health during the past year has been on the whole good. There have been no widespread severe outbreaks of malaria; there have been a few outbreaks of cholera and smallpox, but these have been very moderate in severity and extent.

*Cholera.*

There were 179 cases of cholera, with 116 deaths, during 1902; outbreaks occurred in the Western, Central, Northern, Southern, Uva, and North-Western Provinces. The greatest number occurred in the Western Province, which includes the Cooly Camp at Ragama. There were 74 cases, with 55 deaths, in this Province; 36 cases and 28 deaths in the Northern Province. The North-Western Province had 29 cases and 16 deaths; the Central Province 22 cases with 12 deaths; the Southern Province 21 cases with 4 deaths; and in the Province of Uva there were 2 cases with 1 death.

The establishment of the Ragama Camp for coolies has been of great benefit towards reducing the outbreaks of cholera and other infectious diseases in various parts of the Island. In nearly every outbreak of cholera during the year infection could be traced to India.

There were 146 cases of smallpox, of which 120 occurred in Colombo. In all there were 35 deaths from this disease.

The number of cases of enteric fever treated in the hospitals throughout the Island was 242, of whom 63 died. Though an improvement has been made in the number of cases notified, many cases doubtless still escape detection.

Parangi cases treated numbered 3,434, of whom 10 died.

One case of plague was reported on a vessel in Colombo Harbour. The patient had contracted the disease at Hong-kong. He was landed at Galle and there isolated and recovered.

During the year 149,901 subjects were vaccinated, of whom 142,141 were primary vaccinations. The percentage of successful vaccinations was 92.81.

## (c) SANITATION.

*General Sanitary Condition of the Colony and of the Chief Towns.*

The general sanitary condition of the Island is gradually improving and compares favourably with other tropical countries. Increased attention was given to disposal of filth and rubbish and to provision and conservation of pure water supplies, especially at the larger centres of population. With this view an officer of the Public Works Department was specially deputed to frame schemes for water supplies, and several of the more urgent schemes have already been prepared. Good progress was made with the extension of surface drains in 'bazaars, and steps were taken in many places to fill up pools and hollows likely to become breeding-places for mosquitoes.

Colombo possesses a Municipality. The sanitation of the Port continues effective. In the city considerable progress has been made in widening some of the narrower thoroughfares, while the street watering and scavenging is improving.

Night soil was still disposed of by burial, but experiments in septic tanks were made pending introduction of the sewerage scheme devised by Mr. Mansergh. The preliminary operations in connection with this scheme were commenced.

The water supply is of excellent quality, but deficient in quantity, a defect which will be remedied on duplication of the main, a work upon which considerable progress was made during the year.

Infectious cases, principally smallpox and enteric fever, occurred in considerable numbers.

Kandy, the capital of the Central Province, possesses a Municipality, and employs a medical man as Sanitary Officer. The drainage of the town is defective, but measures are under consideration for an improved system. The water supply is of good quality, but during a long drought is a source of some anxiety. The town itself is well scavenged, and is lighted by electricity. The burial of night soil is the method adopted for the conservancy of the town.

Jaffna, the chief town of the Northern Province, possesses neither a Municipality nor a Local Board. Certain parts of the town are in a very crowded and an insanitary state. There are two public latrines, which are not resorted to. The cesspit system is in vogue. The water supply is from uncovered wells. A new scheme for the water supply of the town is under consideration. Sunlight and free circulation of air are interfered with by the houses being huddled together and by high cadjan fences. The foreshore and other places are fouled and polluted. Drainage requires attention.

Galle, the capital of the Southern Province, possesses a Municipality. Although a good many improvements have been effected as regards the drainage and conservancy, much yet remains to be done. The water supply is still derived from the Bikke reservoir; a system of filtration has not yet been arranged owing to the cost. The dry-earth system has been introduced in some parts of the town, and has been found to work satisfactorily. Although a good deal has been done as regards the drains in the Fort, they are still very defective in several localities.

Batticaloa, the chief town of the Eastern Province, possesses a Local Board, but the sanitary condition cannot be said to be satisfactory. The drainage is very bad, and the water supply equally so; the small supply of good water from wells is curtailed by the wells running dry during drought. The latrine arrangements are very defective; cesspits are used. As in Jaffna, the foreshore and neighbouring jungles are polluted by human excreta.

Kurunegala, the chief town of the North-Western Province, is in a bad sanitary condition; its drainage and water supply are defective. A new water supply scheme has been reported on, including designs and estimates, and is now under consideration.

Anuradhapura, the principal town of the North-Central Province, formerly had a reputation for unhealthiness, but of recent years, owing to improved sanitary measures, the health of the inhabitants has wonderfully improved.

Badulla, the chief town of the Province of Uva, is in a fairly sanitary condition, and is provided with a good water service. The town is well kept. The drainage, however, is defective.

Ratnapura, the chief town of the Province of Sabaragamuwa, possesses a Local Board, and is in a fair state of sanitation. The water supply is good.

#### (D) CLIMATE.

1. The climate varies considerably in different parts of the Island, both as regards temperature and rainfall. In the low lands the climate is tropical, but in the mountains in the interior the climate is found equal to many parts of Europe.

##### *Rainfall.*

2. This varied from 167.29 inches on 235 days at Ratnapura, to 50.90 inches on 95 days at Hambantota. During the year the rainfall of the Island was from 14 to 30 inches in excess of the average of thirty years.

##### *Temperature.*

3. The mean temperature for the year 1902 was highest at Mannar and lowest at Nuwara Eliya, being 82.3° and 59.7° respectively.

At Colombo and Kandy the mean temperature was  $81.8^{\circ}$  and  $75.4^{\circ}$  respectively.

The mean daily range of temperature (*i.e.*, the mean of the daily differences between the maximum and minimum temperatures) was highest at Ratnapura, having been  $20.2^{\circ}$ , and lowest at Galle,  $8.7^{\circ}$ .

The differences recorded at Colombo and Kandy were  $12.7^{\circ}$  and  $15.8^{\circ}$  respectively.

The absolute range or differences between the highest and lowest temperature of the air recorded during the year was greatest at Nuwara Eliya and lowest at Galle, having been  $30.7^{\circ}$  and  $12.5^{\circ}$  respectively.

The absolute difference at Kandy was  $24.3^{\circ}$  and at Colombo  $19.0^{\circ}$ .

The hottest station, taking the mean temperature of night and day all the year round into account, was Mannar ( $82.3^{\circ}$ ). The coolest, Nuwara Eliya ( $59.7^{\circ}$ ). Colombo and Kandy were  $81.0^{\circ}$  and  $75.4^{\circ}$  respectively.

#### *Direction and Force of the Wind.*

4. The general direction of the wind is from north-east from November to March and from the south-west from April to October. The movement of the wind varied from an average of 30 miles a day at Ratnapura to an average of 246 miles a day at Hambantota.

### VIII.—POST AND TELEGRAPHS.

#### COMPARISON OF REVENUE AND EXPENDITURE.

	1901.	1902.
	Rs.	Rs.
Revenue ... ..	1,039,487	1,050,014
Expenditure ... ..	1,034,733	1,081,797
Excess Revenue...	4,754	—
Excess Expenditure ... ..	—	31,783

The revenue figures represent collections in cash only, and do not include value of Service stamps, commission on official money orders, value of postage on unstamped official correspondence, value of official telegrams, and other work done for other Public Departments free.

### MONEY ORDER-BUSINESS.

The total number of money orders issued and paid during the year was 397,706, an increase over the previous year of 8·25 per cent., and the total value was Rs. 9,815,239, an increase over the previous year of 5·08 per cent.

Official money orders numbered 17,086 of the value of Rs. 924,226, the commission on which amounted to Rs. 10,322.

Postal orders maintained their normal growth.

### SAVINGS BANK.

The total number of accounts open on the 31st December, 1902, was 57,007, with a total amount of Rs. 1,454,858 to the credit of depositors.

### TELEGRAPH AND TELEPHONE.

The total number of telegrams handed in for despatch during the year was 511,510, an increase of 1,109 in the year 1901. Three new Postal Telegraph Offices and fifteen new Railway Offices were opened. Three hundred miles of new wire was erected.

There were 95 subscribers to the Telephone Exchange, an increase of 11 on the previous year, and 109,465 calls on the exchange, against 76,090 in the previous year.

## IX.—MILITARY FORCE AND EXPENDITURE.

The following table shows the military expenditure by the Colony during 1902:—

	Amount.	
	Rs.	c.
Colonial Contribution for Regular Troops—		
Balance due for 1901 ... ..	—	—
Expenditure on account 1902 ... ..	1,972,938	57
For Volunteers ... ..	185,050	22
Compensation in lieu of exemption from payment of Customs Duties on articles imported for the Troops...	35,324	50
Cost of erecting certain buildings for the Military ...	13,815	0
Expenses connected with the Fortifications of Colombo...	12,535	98
Cost of Guard Room, Welikada ... ..	1,155	53
Total ... ..	2,220,819	60

The total strength of the Volunteer Force on the 31st December was 2,532.

## X.—GENERAL OBSERVATIONS.

## (A) IMPORTANT EVENTS.

A most successful elephant kraal was held in the North-Western Province in February, when the record number of 102 elephants was driven into the enclosure. It was not, however, found possible to noose more than forty-five of these, and the rest were allowed to escape.

The news of the conclusion of peace in South Africa was received with great demonstrations of joy by all, including the prisoners of war interned in the different camps in the Island.

Many prisoners of war were at first sceptical as to the published terms of peace, and were reluctant to accept them by a formal declaration, but in view of letters received from South Africa, the majority were soon persuaded that the true facts had been stated to them, and on declaring allegiance were returned to South Africa as soon as transports could be provided, so that by the end of the year only 56 prisoners of war remained in the Island, of whom 18 were invalids, and of the balance many were foreigners.

The news of the illness of His Majesty the King was received with much anxiety.

The Coronation was celebrated at all important centres, and even in most villages throughout the Island, with demonstrations of the most enthusiastic loyalty, and the selection of the Governor of Ceylon as the representative of the Eastern Colonies generally at the actual ceremony was a source of much gratification to the people of Ceylon.

## (B) PUBLIC WORKS.

The total expenditure of the Public Works Department during the year under review was Rs. 4,623,067.36, classified as follows:—

						Amount.	
						Rs.	c.
Personal Emoluments	...	...	...	...	...	439,038	49
Annually Recurrent Works	...	...	...	...	...	2,163,393	70
Extraordinary Public Works	...	...	...	...	...	1,448,491	77
Chargeable to Loans and other Funds	...	...	...	...	...	572,143	40
Total	...	...	...	...	...	4,623,067	36

The following tabular statement shows the expenditure on annually recurrent works, extraordinary public works, and

those chargeable to loans and other funds during the years 1895 to 1902, inclusive:—

Year.	Public Works.		Miscellaneous including loans.	Total.
	Recurrent.	Extraordinary.		
	Rs.	Rs.	Rs.	Rs.
1895 ... ..	1,756,001	1,286,889	—	3,042,890
1896 ... ..	1,823,558	1,219,106	—	3,042,664
1897 ... ..	1,726,669	1,838,650	—	3,565,319
1898 ... ..	1,900,307	1,510,143	369,324	3,779,774
1899 ... ..	2,040,684	1,707,119	1,250,125	4,997,928
1900 ... ..	2,029,279	1,610,261	1,074,665	4,714,205
1901 ... ..	2,112,905	1,348,032	666,028	4,126,965
1902 ... ..	2,163,394	1,448,491	572,143	4,184,028

The roads in the Colony are classified under the following descriptions:—metalled, track metalled, gravelled, and natural. The total length maintained during the year in each Province was as follows:—

Province.	Metalled.	Track Metalled.	Gravelled.	Natural.	Total.
	Miles.	Miles.	Miles.	Miles.	Miles.
Western ... ..	303·56	—	59·39	—	362·95
Central ... ..	539·09	—	65·88	65·25	670·22
Northern ... ..	310·57	—	87·00	121·00	518·57
Southern ... ..	282·11	—	38·50	—	320·61
Eastern... ..	162·25	—	134·21	54·00	350·46
North-Western ...	183·67	142·68	66·71	30·00	423·06
North-Central ...	100·85	68·75	140·96	—	310·56
Uva ... ..	248·03	—	26·58	98·00	372·61
Sabaragamuwa...	190·47	73·65	29·16	25·00	318·28
Total ... ..	2,320·60	285·08	648·39	393·25	3,647·32

The above statement shows an increase of 6·52 miles of roads in charge of this Department.

The average cost per mile of road upkeep in the several Provinces was as follows:—

Province.	Metalled.	Track Metalled.	Gravelled.	Natural.	General Average.
	Rs.	Rs.	Rs.	Rs.	Rs.
Western ... ..	786	—	294	—	705
Central ... ..	642	—	217	73	545
Northern ... ..	283	—	207	53	217

*Average Cost per Mile of Road Upkeep—cont.*

Province.	Metalled.	Track Metalled.	Gravelled.	Natural.	General Average.
	Rs.	Rs.	Rs.	Rs.	Rs.
Southern ...	614	—	197	—	564
Eastern... ..	521	—	257	19	345
North-Western	444	416	246	33	374
North-Central ...	821	—	181	—	349
Uva ... ..	662	—	307	74	482
Sabaragamuwa...	637	430	252	87	511

The general average throughout the Colony was :—Metalled, including track metalled, roads Rs. 565 per mile; gravelled roads, Rs. 230 per mile; natural roads, Rs. 57 per mile.

Generally speaking, the roads have been maintained in a satisfactory condition, considering their respective classes and the traffic on them. Owing to the exceptionally prolonged periods of heavy rainfall during the months of October, November, and December, some of the roads, especially the gravel ones, suffered to a considerable extent. Two four-ton steam rollers have been used on the Colombo-Negombo and Colombo-Awisawella roads with good results.

The work of replacing the old wooden bridges with iron and concrete structures has progressed.

*Customs Premises.*

The works in connection with the building of a quay wall in front of the old grain sheds J and K, the erection of electric cranes, and the extension of the export warehouses B, C, and D, and the widening of Seashore street have made satisfactory progress.

*Camps for Prisoners of War.*

The maintenance and additions required from time to time have been duly attended to.

*Cooly Camps, Ragama.*

The erection of a new camp similar to camp No. 4 has been completed.

*Minor Courts, Hulftsdorp.*

The Minor Courts at Hulftsdorp have been practically completed.

*New Deputy Fiscal's Office, Hulftsdorp.*

The erection of a new Deputy Fiscal's Office has made satisfactory progress and is nearing completion.

*Railway Extension Fund.*

Under this heading roads to the goods station, Jaffna, Chavakachcheri station, and Pallai station have been completed, and the approach road to the passenger station, Jaffna, has been commenced.

*Resthouse, Kalmunai.*

The new resthouse, Kalmunai, has been completed.

*Main Pipe Line.*

The pipe line has been satisfactorily maintained, a constant flow being obtained throughout the year. The duplication of the pipe is now well in hand.

*Maligakanda Service Reservoir.*

This reservoir has been maintained in a satisfactory state of repair without any exceptional expenditure.

*Distribution Works.*

The distribution works were maintained in a satisfactory state of repair. During the year the 7-inch pipe along Reclamation road was removed and replaced by a 9-inch pipe connecting with the subsidiary mains in the Fort, at a cost of Rs. 18,561.05. This improvement has been attended with very satisfactory results, enabling water to be supplied to the upper floors of the buildings in the Fort.

Six new standposts or street fountains were fixed and one was removed, the total number in use being 696. 111 new services for domestic supply were constructed, making a total number of 3,182. 49 meters were fixed to services for other than domestic purposes, 38 were removed, making a total of 217 in use.

Throughout the year the maximum daily consumption each month exceeded the maximum discharging capacity of the main, viz., 25,000,000 gallons per diem, necessitating the water being shut off from 8 p.m. to 4 a.m. during the greater part of the year.

The average consumption of water per head per diem, taking the population at 150,000, was for all purposes at the rate of 16·7 gallons; deducting the metered supplies reduces the rate to 13·0 gallons.

During the year 462 orders were received, amounting to Rs. 740,141.08, making with Rs. 382,838.56 brought forward from 1901 a total of Rs. 1,122,979.64. To this amount must be added disbursements on account of camps for South African prisoners of war, Rs. 5,924.35, and transport funds Rs. 1,722.85. The total amount therefore available for expenditure for 1902 was as follows:—

						Amount.	
						Rs.	c.
Brought forward from 1901	...	...	...	...	...	382,838	56
Factory Orders, 1902	...	...	...	...	...	740,141	8
Prisoners of War	...	...	...	...	...	5,924	35
Transport Funds	...	...	...	...	...	1,722	85
Total	...	...	...	...	...	1,130,626	84

In the same period 180 iron bridges of different spans were produced at a cost of Rs. 228,558.

Expenditure on buildings in Colombo was Rs. 102,223, on harbour improvements Rs. 249,770, on tools, plants, &c., Rs. 65,099, on work for other Departments Rs. 14,835. During the year 4,819 cwt. of castings, principally for the Railway Department, was turned out at a cost of Rs. 24,657.

#### *Colombo Harbour Works.*

The expenditure for the year amounted to Rs. 2,651,119.88, as under:—

						Amount.	
						Rs.	c.
Upkeep of South-West Breakwater, Inner Harbour, dredging.						—	96,772 84
Harbour Improvements, dredging, and moorings.						219,760	67
New works at Customs, acquisition of land, &c.						427,664	56
Harbour Extension Works, Graving Dock	...	...	...	...	...	...	647,425 23
						...	1,906,921 81
Total	...	...	...	...	...	2,651,119	88

The total expenditure on harbour extension works, graving dock, &c., to 31st December, 1902, is—

—	Amount.			
	Rs.	c.	Rs.	c.
Harbour Extension Works, North-East and North-West Breakwaters, Reclamation, Coal Depôt, Patent Slip, Barge Repairing Basin, Coal Jetties.	6,725,146	40		
Stock of plant, stores, &c., at December 31, 1902, for Harbour Extension Works, &c.	1,579,098	86		
Removal of work-yard from Galle Buck to Reclamation, building block jetty, &c.	1,049,802	43		
Graving Dock... ..	2,416,612	51		
Graving Dock Plant ... ..	552,801	11		
Total Expenditure to December 31, 1902.	...	...	12,323,461	31
Grand Total Expenditure from commencement of South-West Breakwater in 1873 to December 31, 1902.	...	...	28,138,760	3

Satisfactory progress was made with the breakwaters under construction and with the graving dock.

#### *Railways.*

The total mileage open was increased by 71 miles during the year by the opening of the sections of the northern line between Jaffna and Pallai (34 miles), and by the opening of the first section of the Kelani Valley Railway from Colombo to Avisawella (37 miles). The northern line is on the standard gauge.

The opening of the Kelani Valley Railway on the narrow gauge (2 feet 6 inches) marks a new epoch in the history of railway construction in the Colony, seeing it is the first break of gauge introduced since the opening of the broad gauge line to Kandy in 1867.

The original capital cost of open lines is approximately Rs. 58,566,733, the increase over 1901 of Rs. 5,446,629 representing the proportion of the outlay on the sections of the Northern and Kelani Valley extensions, which were opened for traffic during the year. The total cost of the railway, including additions and improvements up to the 31st December, 1902, has been Rs. 63,436,659, but this does not include the sum of Rs. 3,097,276 spent during the last six years on new works and rolling stock, which has been paid out of revenue.

On the 1st January, 1902, the capital outstanding on loans (sterling debts converted into local currency at the rate of 1s. 4d. per rupee) was Rs. 32,067,372, or Rs. 162,238 less than on the 1st January, 1901.

**Result of the year's working:—**

—	1901.	1902.	Increase.	Decrease.
			1901.	1902.
	Rs.	Rs.	Rs.	Rs.
Gross receipts ... ..	7,938,131	7,975,506	37,375	—
Working expenses ... ..	4,736,701	4,907,101	170,400	—
Profit ... ..	3,201,430	3,068,405	—	133,025

*Interest.*

The interest on loans amounted to Rs. 1,493,082, but of this sum half the interest paid on the loan of Rs. 1,400,000 raised for the construction of the Northern, Kelani Valley, and Uda Pussellawa lines and quarters for railway guards (namely Rs. 127,417) has been charged to the cost of raising the loan, thereby making the nett amount of interest chargeable to revenue Rs. 1,365,665, being an increase of Rs. 130,487 over 1901.

*Nett Earnings.*

After deducting the working expenses and the payment of the interest and sinking fund, the nett amount contributed by the railway to the general revenue of the Colony amounted to Rs. 1,363,152. In previous years the amount due to sinking fund has not been deducted under this heading.

*Irrigation.*

The total expenditure of the Irrigation Department for the year was Rs. 779,714.64, and the services to which it was appropriated, as compared with the two previous years, were as follows:—

—	1900.	1901.	1902.
	Rs. c.	Rs. c.	Rs. c.
Works of survey and investigation	21,594 1	29,811 30	24,038 66
Works of construction ... ..	199,417 62	390,194 42	381,247 18
Minor works and repairs... ..	54,724 16	40,201 71	48,527 41
Works of maintenance ... ..	74,556 16	68,502 7	76,806 10
Establishment : salaries and allowances.	132,093 35	207,164 68	219,805 83
Miscellaneous : tools, instruments, &c.	21,639 51	31,971 5	29,289 46
<b>Total ... ..</b>	<b>504,024 81</b>	<b>767,845 23</b>	<b>779,714 64</b>

The expenditure on works of construction was as follows:—

						Amount.
<i>Northern Province—</i>						<b>Rs.   c.</b>
Giant's tank	...	...	...	...	...	59,133 99
Kanukkeni tank	...	...	...	...	...	16,570 83
Karachchi scheme	...	...	...	...	...	18,478 86
<i>North-Central Province—</i>						
Kalawewa Yoda-ela	...	...	...	...	...	46,756 83
Maha Illuppalama	...	...	...	...	...	18,083 24
Minneri	...	...	...	...	...	69,247 59
Manankettiya	...	...	...	...	...	964 7
Nachchaduwa	...	...	...	...	...	60 0
Maha Galkadawala	...	...	...	...	...	94 92
<i>Eastern Province—</i>						
Kanthalai	...	...	...	...	...	5,580 62
Vakaneri	...	...	...	...	...	35,321 53
Rugam anicuts	...	...	...	...	...	22,739 42
Pattipalai-arū	...	...	...	...	...	3,678 91
Sakamam Vaminiyaddi scheme	...	...	...	...	...	11,950 97
Tempittiya	...	...	...	...	...	5,147 21
Unniobchai	...	...	...	...	...	11,480 11
<i>Southern Province—</i>						
Walawe-ganga	...	...	...	...	...	3,784 86
Kirinde-oya	...	...	...	...	...	37,983 62
<i>North-Western Province—</i>						
Deduru-oya works	...	...	...	...	...	14,189 60
<b>Total</b>						<b>381,247 18</b>

In addition, a large number of surveys of promising schemes were made.

#### (C.) IMMIGRATION AND EMIGRATION.

The statistics available are unreliable. They show that 91,875 persons arrived in Ceylon from South Indian ports, while 107,800 left Ceylon for India. These figures include traders and others, in addition to estate coolies.

#### (D.) FUTURE PROSPECTS OF TRADE.

The value of the trade of the Colony for 1902 exceeded that for 1901 by Rs. 4,372,727. The prospects of trade appear to be favourable.

#### (E.) SUITABILITY OF CLIMATE FOR EUROPEANS.

The climate varies greatly according to elevation and situation, but is not generally unsuitable for Europeans. In the hills the climate is excellent, and in the low-country the

European if careful can keep his health, but an occasional change to a more temperate climate is generally necessary. Manual labour is practically impossible for the European, who is employed chiefly in supervision of labour or in sedentary pursuits.

(F.) RATES OF WAGES AND COST OF LIVING.

The rate of wages for prædial labourers varies from 25 to 50 cents per diem;  $37\frac{1}{2}$  cents is the general rate. Domestic servants earn from Rs. 10 to Rs. 20 per mensem, the average wage being about Rs. 12. Trade employes earn from 50 cents to Rs. 1.50 a day. The cost of living varies greatly in different parts of the Island, being lowest in the Northern and Eastern Provinces and highest in Colombo, where house rent is a serious item to rich and poor. The ordinary villager can probably live in fair comfort for Rs. 5 to Rs. 6 a month.

(G.) OPENINGS FOR INVESTMENT OF CAPITAL.

The revival in plumbago continues. Cocoanuts continue to pay well, and many minor products, notably rubber and camphor, are coming to the fore. The encouragement of cultivation of products likely to suit the soil along the new Northern line, such as rubber, cotton, cocoanuts, has received the consideration of the Government.

(H.) SOCIAL CONDITION OF THE PEOPLE.

The material condition of the people generally is good. They are lightly taxed, the necessities of life are cheap, and with the extension of cultivation and irrigation and of railways and public works, work is plentiful. In remote villages food may be scarce, but this is generally due to the disinclination of the villager to leave his village even temporarily in search of work, and actual famine is impossible.

As regards the moral condition of the people, but little progress can be recorded. Violent crime is still unduly prevalent, and the severity and even the increased certainty of punishment seem to have little effect in restraining it. The explanation perhaps lies in the fact that the sanctions of the old religion and customs are gradually dying away, while the newer education provided has not had time to operate as a restraining influence.

C. R. CUMBERLAND,

*Principal Assistant Colonial Secretary.*

Colombo, August 7, 1903.





COLONIAL REPORTS—ANNUAL.

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No. 425.

CEYLON.

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REPORT FOR 1903.

(For Report for 1902 see No. 396.)

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Presented to both Houses of Parliament by Command of His Majesty.  
*August, 1904.*

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No. 425.

# CEYLON.

(For Report for 1902 *see* No. 396.)

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GOVERNOR SIR H. A. BLAKE to MR. LYTTTELTON.

On tour,  
Ceylon,  
June 9, 1904.

SIR,

I HAVE the honour to forward herewith copies of the Ceylon Blue Book for the year 1903, together with copies of the usual report prepared in the Colonial Secretary's office.

I have, &c.,

HENRY A. BLAKE,  
*Governor, &c.*

## REPORT ON THE CEYLON BLUE BOOK OF 1903.

## I.—FINANCIAL.

## (A) GENERAL REVENUE AND EXPENDITURE.

The following is a comparative statement of the revenue and expenditure of Ceylon for the last fifteen years:—

Year.	Revenue.	Expenditure.	Excess of Revenue as compared with previous year.	Surplus of Revenue over Expenditure.
	Rs.	Rs.	Rs.	Rs.
1889 ... ..	15,299,877	14,987,312	—	312,565
1890 ... ..	16,228,769	15,499,509	928,892	729,260
1891 ... ..	17,962,710	16,772,392	1,733,941	1,190,318
1892 ... ..	18,509,187	18,392,999	546,477	116,188
1893 ... ..	18,051,950	18,763,492	—	711,542*
1894 ... ..	19,485,311	20,632,301	1,433,361	1,146,990*
1895 ... ..	20,982,808	21,151,618	1,497,497	168,810*
1896 ... ..	21,974,573	21,237,859	991,765	736,714
1897 ... ..	24,006,521	21,634,377	2,031,948	2,372,144
1898 ... ..	25,138,669	22,843,851	1,132,148	2,294,818
1899 ... ..	25,913,141	24,950,940	774,472	962,201
1900 ... ..	27,325,930	25,321,988	1,412,789	2,003,942
1901 ... ..	26,437,102	25,896,594	—	540,508
1902 ... ..	27,198,056	26,341,878	760,954	856,178
1903 ... ..	29,423,308	26,714,828	2,225,252	2,708,480

\* Deficit.

2. It will be noticed that since 1889 the revenue has increased nearly 100 per cent.; that with only two exceptions the advance has been uninterrupted; and that the nett surplus of revenue over expenditure during the period aggregates some Rs. 12,800,000. Since 1896 the average annual surplus has been Rs. 1,500,000.

3. The savings thus placed at the disposal of the Colony have not been hoarded, but have been spent in the vigorous prosecution of great public works having for their object the development of the latent resources of the island. These works may be summed up in the two words Railways and Irrigation. In 1899 Sir West Ridgeway pressed upon the Secretary of State the desirability of opening up the many comparatively inaccessible but fertile districts in the Colony, and Mr. Chamberlain ultimately sanctioned a very extensive scheme, which included the construction of railways to the north of the island, in the Kelani Valley tea district, and in the hill districts of Nuwara Eliya and Uda Pussellawa, and also the expenditure

of five millions of rupees on irrigation works. The total cost of the scheme is estimated at about Rs. 21,000,000, and half of this amount has already been met out of the surplus revenue of the Colony, the other half being raised by loan.

4. Notwithstanding this liberal contribution from current revenue towards the cost of works which are largely for the benefit of future generations, the buoyancy of the island's finances at the end of 1903 showed no signs of diminution, the surplus for the year being Rs. 2,700,000 and the accumulated savings and surpluses on December 31, 1903, being estimated at nearly Rs. 4,000,000. Nor has the policy of partly defraying expenditure on special works out of revenue been carried out at the cost of an undue restriction of the ordinary expenditure of the Colony, for it will be seen from the above table that that expenditure has kept pace with the revenue, the increase during the past 15 years being, as in the case of the revenue, about 100 per cent. The expansion has been general, but the most noticeable advance has been in the cases of the Education, Survey, and Botanic Gardens Departments. Although the increase of general expenditure in recent years has been very rapid, there are numerous indications that the demands on the revenue in the near future will be exceptionally heavy.

#### *Revenue, 1903.*

5. Turning now to the particular year under review, it will be seen from the table in the first paragraph that the revenue of 1903 was by far the largest ever collected. The first pearl fishery for twelve years accounted for some Rs. 800,000 of the increase, but there was a gratifying advance under almost every head. The actual revenue for the year was Rs. 2,378,928 in excess of the estimated revenue.

6. The following is a comparative statement showing the actual revenue collected in 1902 and 1903:—

—		Revenue of 1902.		Revenue of 1903.		Increases.	Decreases.	Nett Increase.
		Rs.	c.	Rs.	c.	Rs.	Rs.	Rs.
1. Customs	... ..	7,181,272	67	7,576,359	95	430,262	35,174	395,088
2. Port, Harbour, Wharf, and Lighthouse Dues.	... ..	1,239,727	64	1,337,205	82	39,776	2,498	37,478
3. Licenses, Excise, and Internal Revenue not otherwise classified.	... ..	6,057,748	0	6,355,287	56	306,236	8,696	297,540
4. Fees of Court or Office, Payment for Specific Services, and Reimbursements in Aid.	... ..	1,826,949	12	1,891,269	30	194,194	129,874	64,320
5. Post and Telegraphs	... ..	1,110,784	74	1,078,981	36	59,583	91,386	31,803*
6. Government Railways	... ..	7,977,589	88	8,355,675	90	382,276	4,190	378,086
7. Rent of Government Property	... ..	126,891	30	164,507	32	45,244	7,628	37,616
8. Interest	... ..	514,047	29	506,729	47	6,303	14,221	7,318*
9. Miscellaneous Receipts	... ..	90,888	58	235,889	23	184,280	39,279	145,001
10. Sale of Government Property	... ..	329,674	88	1,185,432	54	857,894	2,137	855,757
11. Land Sales	... ..	682,482	34	735,970	7	53,487	—	53,487
Total	... ..	27,198,056	44	29,423,308	52	2,560,339	335,087	2,225,252
						Deduct Decrease ...		
						335,087		
						Nett Increase ...		
						2,225,252		

\* Decrease.

7. The increase in Customs revenue was chiefly due to larger importations of grain, spirits, and "other goods." Colombo Harbour Dues continued to advance, and the revenue derived from arrack rents increased by Rs. 157,000. A rise of nearly Rs. 78,000 in revenue stamps sold points to activity in the sales of valuable properties. The decline in Postal revenue is apparent only, being due to adjustments of accounts; the amount realised from the sale of postage stamps, a reliable index of general prosperity, increased by Rs. 25,500. The increase in Railway revenue is chiefly due to receipts from the new lines opened at the end of 1902 being credited in 1903. In the large total of Rs. 1,185,432 under Sale of Government Property is included Rs. 827,308, the proceeds of the Pearl Fishery. The enhanced amount derived from Land Sales is due to more lands being sold in the Western Province.

*Expenditure, 1903.*

8. The following table shows the expenditure of 1903 compared with that for 1902:—

Heads of Service.		1902.		1903.		Increase.		Decrease.	
		Rs.	c.	Rs.	c.	Rs.	c.	Rs.	c.
1.	Charges on account of Public Debt	...	...	3,450,586	84	351,183	43	—	—
2.	Pensions	...	...	1,307,182	69	22,534	60	—	—
3.	His Excellency the Governor	...	...	123,261	68	—	—	3,210	86
3a.	Civil Service	...	...	676,103	80	12,457	92	—	—
4.	Secretariat	...	...	273,565	16	4,305	52	—	—
5.	Audit Office	...	...	52,246	56	4,580	75	—	—
6.	Treasury	...	...	41,970	29	2,027	6	—	—
7.	Provincial Administration	...	...	949,323	89	198,298	43	—	—
8.	Survey Department	...	...	638,086	37	656,937	45	—	—
9.	Customs Department	...	...	130,153	72	131,128	26	—	—
10.	Port and Marine Department, Colombo	...	...	330,712	55	309,053	67	—	—
11.	Port and Marine Department other than Colombo	...	...	43,624	37	34,165	21	21,658	88
12.	Botanic Gardens	...	...	72,246	57	—	—	9,459	16
13.	Colombo Museum	...	...	25,660	92	53,064	25	—	—
14.	Legal Departments:—	...	...	156,277	41	—	—	633	86
	Supreme Court	...	...	60,799	75	3,808	1	—	—
	Attorney-General	...	...	12,143	85	8,887	15	—	—
	Solicitor-General	...	...	160,382	37	—	—	21	22
	District Courts	...	...	128,299	99	3,480	52	—	—
	Courts of Requests and Police Courts	...	...	78,408	17	2,402	35	—	—
	Registration of Lands	...	...	117,475	61	2,301	24	—	—
	Registration of Marriages, Births, and Deaths	...	...	121,554	18	4,078	57	—	—

15.	Fiscals	...	...	...	...	229,775 81	293,244 0	3,468 19	—
16.	Loan Board	...	...	...	...	5,431 89	5,529 38	97 49	—
17.	Police	...	...	...	...	732,646 59	735,149 66	2,503 7	—
18.	Prisons	...	...	...	...	527,819 34	538,781 36	10,962 2	—
19.	Medical Department	...	...	...	...	379,114 19	385,875 40	6,761 21	—
20.	Hospitals and Dispensaries	...	...	...	...	1,219,504 24	1,225,518 94	6,014 70	—
21.	Eccelesiastical	...	...	...	...	26,925 70	11,622 50	—	15,303 20
22.	Education	...	...	...	...	932,279 98	1,038,697 29	86,417 31	—
23.	Transport...	...	...	...	...	23,061 79	17,055 26	—	6,006 53
24.	Exchange...	...	...	...	...	211,039 98	227,342 17	16,302 19	—
25.	Military Expenditure	...	...	...	...	2,220,819 60	2,214,349 66	—	6,469 94
26.	Miscellaneous Services	...	...	...	...	1,234,658 9	862,622 44	—	372,035 65
27.	Government Stores	...	...	...	...	78,527 39	85,021 71	6,494 32	—
28.	Crown Agents, London	...	...	...	...	2,715 0	2,713 68	—	1 32
29.	Forests	...	...	...	...	268,358 98	271,735 20	3,376 22	—
30.	Post Office and Telegraphs	...	...	...	...	1,125,136 92	1,104,038 86	—	21,098 6
31.	Railway Department	...	...	...	...	4,897,546 67	4,510,997 34	—	386,549 33
32.	Special Officer, Waste Lands Ordinance	...	...	...	...	26,730 30	48,446 15	21,715 85	—
33.	Public Works Department	...	...	...	...	411,289 76	433,843 56	22,553 80	—
34.	Irrigation Department	...	...	...	...	309,330 84	375,867 12	66,036 28	—
	Public Works Annually Recurrent	...	...	...	...	1,874,387 64½	1,948,378 28	73,990 63½	—
	Public Works Extraordinary	...	...	...	...	1,428,020 64½	1,334,199 48	—	98,821 16½
	Deduct half-year's interest on New Loan brought to account under Public Debt, but chargeable to Surplus Funds.	...	...	...	...	26,631,168 82	26,714,828 35	1,019,928 7½	936,269 17½
		...	...	...	...	289,290 79	—	—	289,290 79
	Total Expenditure against Current Revenue ..	26,341,978	3	26,714,828	35	1,019,928	70½	646,978	38½

## Expenditure—cont.

Heads of Service.	1902.		1903.		Increase.		Decrease.	
	Rs.	c.	Rs.	c.	Rs.	c.	Rs.	c.
<i>Expenditure from Surplus Funds voted in the Estimates.</i>								
1. Public Debt, half-year's interest on New Loan (Ordinance No. 14 of 1900).	289,290	79	—	—	—	—	289,290	79
29. Railway Construction Works ...	948,165	48	—	—	—	—	948,165	48
32. Irrigation Construction Works ...	462,770	36	54,534	0	—	—	408,236	36
24. Miscellaneous Services, Ratnapura Railway and Mineralogical Surveys.	—	—	58,702	65	58,702	65	—	—
29. Railway Department Blasting and Tunnelling Operations, Kadugannawa Incline, &c.	—	—	180,747	35	180,747	35	—	—
34. Public Works Extraordinary, Feeder Roads to Railway Stations, &c.	—	—	69,946	75	69,946	75	—	—
Total against Surplus Funds ...	1,700,226	63	363,930	75	309,396	75	1,645,692	63
Grand Total	28,042,104	66	27,078,759	10	1,329,325	45½	2,292,671	1½
Deduct Increase ... ..								
Nett Decrease ... ..								
							1,329,325	45½
							963,345	56

9. The total expenditure from current revenue was thus some Rs. 370,000 more than in the previous year, but the gross total expenditure from revenue and surplus funds was less than in 1902 by Rs. 963,345. As explained above, the moiety due from revenue on account of the forward policy initiated in 1899 has now been paid, and the expenditure from surplus funds is therefore proportionately less. The question of making a further appropriation from surplus funds towards the total expenditure yet to be incurred on account of special works is under consideration.

10. As compared with the estimated expenditure for the year, the actual expenditure shows an excess of Rs. 47,537, but if charges against surplus funds are included the actual figures tally with the estimate to within Rs. 1,550. The annual Supplementary Supply Bill of the Colony, to cover expenditure on works of unforeseen but pressing necessity is a large one, but it is satisfactory to be able to record that in only three instances during the last eight years has the total actual expenditure (including supplementary votes) exceeded the estimated expenditure; in two of these the excess was little more than Rs. 100,000, and in no case has the estimate been exceeded by more than Rs. 250,000.

11. The details in the comparative table in paragraph 8 do not call for much comment. The charges on the loan of £1,400,000 raised in 1902 became fully payable in 1903, and so increased the expenditure under Public Debt. The amount disbursed in pensions increased by Rs. 22,500, the advance under this head, however, being only a quarter of the corresponding increase last year. The abnormal increase of nearly Rs. 200,000 under Provincial Administration is due to the inclusion of expenditure on account of the Pearl Fishery. Charges on account of the Experiment Station at Peradeniya and cotton experiments in the North-Central Province have nearly doubled the provision for the Botanical Gardens Department, while another large increase in the expenditure on Education forms a significant commentary on the recent criticisms of the Government's educational policy. During the last eight years the vote for the Education Department has risen by over 50 per cent. The operations of the Waste Lands Department, to which special reference was made in last year's report, were still further extended during 1903, and an Assistant Land Settlement Officer was appointed: the expenditure under this head therefore shows a substantial increase, but the advantages, both to Crown and people, of a systematic and permanent settlement of dubious titles to land fully justify the comparatively small expense involved. The increase in expenditure on Public Works Recurrent is balanced by a decrease under Public Works Extraordinary. The increases in other departments were small.

12. Under the heads "Miscellaneous Services" and "Railway Department" there appear large decreases; the expenditure on the former was enhanced in 1902 by charges on account of the Coronation and the acquisition of Gangaruwa estate for an experimental botanical station, while the large apparent decrease in railway expenditure is due to certain adjustments of accounts in the two years. Economies were effected by the Port and Marine and Ecclesiastical Departments, but the decrease under Post Office is fictitious, being due to certain charges on account of "Sea Conveyance of Mails" not being brought to account within the year.

#### (B) IMPORTANT CHANGES IN TAXATION.

Nil.

#### (C) ASSETS AND LIABILITIES.

The total assets on January 1, 1904, were Rs. 24,567,634, as against Rs. 24,576,277 on January 1, 1903. The liabilities were Rs. 20,795,061, showing an excess of assets over liabilities of Rs. 3,772,572.

#### (D) PUBLIC DEBT, SHOWING PROVISION FOR PAYMENT.

1. Since 1875, when the first loan for harbour improvements was raised, the Colony has borrowed £5,166,000 in sterling and Rs. 3,365,000 in local currency, or a total amount of £5,391,209. This sum has been appropriated for Harbour Works, New Railways, Waterworks, and Irrigation Works. The amount still due on December 31, 1903, was Rs. 74,194,946.79.

2. Provision is made for the repayment of all loans by means of a sinking fund, the charges on the debt in interest and sinking fund being in 1903 Rs. 3,450,586. The existing debt will be reduced by about Rs. 30,000,000 in 1934, and should be totally extinguished by the year 1948.

3. At the present time the debt amounts to about two and three-quarter times the revenue. In this respect it compares very favourably with other colonies. For instance, taking the figures for 1901, the debt of the Australian Commonwealth is about seven times the revenue; of New Zealand more than eight times the revenue; of Canada nearly seven times the revenue; and of Natal about three and half times the revenue. If gauged by the standard of amount per head of population, the debt works out to about £1 8s. per head, as contrasted with £54 11s. in Australia, £68 10s. in New Zealand, £13 11s. in Canada, £11 7s. in Natal, £13 7s. in Cape Colony, and £4 10s. in Jamaica.

4. In common with practically all colonial stocks Ceylon stock suffered a fall in price in 1903, but whereas the average relapse in Australian issues was about 6 per cent., and the decline in Canadian securities about 3 per cent., the price of Ceylon 3 per cent. inscribed stock was at the close of 1903 only 1 per cent. lower than the price at the end of 1902. The highest and lowest prices in 1903 were  $97\frac{1}{4}$  and  $93\frac{1}{4}$  respectively, as compared with  $97\frac{1}{2}$  and  $93\frac{1}{2}$  in the previous year.

5. The following table, giving the prices at the end of 1903 of various colonial securities, shows that Ceylon stock stands well to the front in comparison with similar stock in other parts of the Empire:—

Colonial Securities.						Price.
New South Wales 3 per cent. inscribed ...	...	...	...	...	...	86
New Zealand do. do. ...	...	...	...	...	...	90
Victoria do. do. ...	...	...	...	...	...	86
W. Australia do. do. ...	...	...	...	...	...	87
British Guiana do. do. ...	...	...	...	...	...	90
Canada do. do. ...	...	...	...	...	...	98
Cape Colony do. do. ...	...	...	...	...	...	87
Natal do. do. ...	...	...	...	...	...	89
Trinidad do. do. ...	...	...	...	...	...	91
CEYLON do. do. ...	...	...	...	...	...	95

#### (E) CURRENCY AND BANKING.

The currency of Ceylon is based upon the Indian rupee. It consists at present of—

- (1) Notes: Ceylon Government notes of Rs. 1,000, Rs. 100, Rs. 50, Rs. 10, and Rs. 5.
- (2) Gold: British sovereigns, which are legal tender at the rate of Rs. 15 to the sovereign.
- (3) Silver: The Indian rupee.

All the above are legal tender to any amount.

Subsidiary coins are—

- (1) Silver: Ceylon 50-cent, 25-cent, and 10-cent pieces. Also Indian 8-anna and 4-anna pieces, which are current at 50 cents and 25 cents respectively. These are legal tender to the amount of Rs. 5.
- (2) Copper: Ceylon 5-cent, 1-cent,  $\frac{1}{2}$ -cent, and  $\frac{1}{4}$ -cent pieces. These are legal tender to the amount of 50 cents.

About half the face value of the paper issued is held in specie by the Currency Commissioners, the balance being invested in Indian Government paper and other approved securities.

	Value.			
<i>Circulation.</i>				
Currency notes in circulation on December 31st, 1903.	—	—	Rs. 17,111,090	c. 0
<i>Reserve.</i>				
By gold £350,034 in sovereigns at Rs. 15 a sovereign.	In Gold. Rs. 5,250,510	In Silver. Rs. —	In Securities. Rs. —	c. 0
By silver in the vault (10 cents copper).	—	2,667,299	—	90
By investments made by the Crown Agents.	—	—	4,617,486	2
By investments made in Indian Government Paper.	—	—	4,575,794	10
	5,250,510	2,667,299	9,193,280	12
Total ... ..	Rs. 17,111,090-2			

A slight but important change was effected during the year in the currency legislation of the Colony. It was found that the provision in Ordinance No. 13 of 1901, which required the Currency Commissioners to issue notes for gold or silver to an unlimited extent, led to a large accumulation of gold in the reserve, whereas the coins chiefly in demand for redemption of notes are rupees. On the advice of a representative Commission appointed to devise the best solution of this difficulty, the Ordinance was amended by a clause freeing the Commissioners of Currency from the obligation to receive gold in exchange for notes when it might be inexpedient in their judgment to do so. The limit up to which the Commissioners will receive sovereigns is at present £200,000. Sufficient time has not yet elapsed to disclose whether the amendment will bring about the desired effect, viz., renewed importations of silver.

#### BANKING.

The following banks do business in the Colony:—The Mercantile Bank of India, Ltd., the Bank of Madras, the National Bank of India, Ltd., the Hong Kong and Shanghai Banking Corporation, and the Chartered Bank of India, Australia, and China.

Exchange was steady throughout the year, the highest rate being 1s. 4  $\frac{1}{2}$ d. (demand) and the lowest 1s. 4  $\frac{1}{2}$ d., or a difference of  $\frac{1}{8}$ . Money was plentiful locally, especially during the first six months, at which time the rate was as low as 3 per cent.

(F.) COMPARATIVE STATEMENT OF THE TOTAL REVENUE AND EXPENDITURE OF MUNICIPALITIES FOR THE FIVE YEARS ENDED DECEMBER 31ST, 1903.

Name of Municipality.	Revenue or Expenditure.	1899.		1900.		1901.		1902.		1903.	
		Ra.	c.	Ra.	c.	Ra.	c.	Ra.	c.	Ra.	c.
Colombo ... ..	{ Revenue ... { Expenditure ...	1,088,519	50	1,152,137	58	1,230,005	20	1,405,838	88	1,337,344	8
		927,229	89	902,408	5	1,306,278	56	1,175,727	7	1,494,429	40
Kandy ... ..	{ Revenue ... { Expenditure ...	141,436	42	181,946	94	181,107	91	173,202	85	199,303	84
		150,032	87	183,671	31	186,728	3	185,364	63	196,217	71
Galle ... ..	{ Revenue ... { Expenditure ...	90,787	38	109,566	51	86,222	74	91,652	67	92,886	64
		84,439	26	87,629	69	94,009	28	92,535	45	86,115	81

**STATEMENT OF DEBTS OF MUNICIPALITIES UP TO END OF 1903, SHOWING  
PROVISION FOR PAYMENT.**

Name of Municipality.		Amount of Debt.	On what account.	Provision for Payment.
Colombo	...	Rs. Nil.	Nil.	Nil.
Kandy	...	178,639 11	Waterworks construction	Water-rate at 6 per cent. on properties within certain portions of the Municipality. Bond assigning portion of water-rate. Bond assigning proportion of rates and taxes. Do. do. A water-rate of 5 per cent. is levied within the Fort for repayment of waterworks loan. Mortgage of stamp duties on licenses or carts, boats, and coaches; fees and stamp duties under Licensing Ordinances for payment of loan for sanitary improvements.
	...	93,475 71	Acquisition of lands over reservoir	
	...	22,000 0	To widen Victoria Drive and clear lake silt.	
	...	15,153 67	For repairing main sewer and constructing drains.	
Galle	...	58,047 7	Construction of waterworks	
	...	38,759 54	Sanitary improvements	
Total		406,075 10		

NOTE.—In 1893 the amount lent to Municipalities was Rs. 289,126.

(G) LOCAL BOARDS.

There are eighteen Local Boards in the island. In 1903 their total revenue was Rs. 290,062 and their total expenditure Rs. 263,140. They all appear to be in a sound financial position.

In recent years the Local Boards have made frequent applications to Government for assistance in prosecuting schemes for water supply and sanitation. In cases where the necessity for recourse to general revenue is shown to be fully justified, the assistance is usually bestowed in the form of a loan, repayable, as a rule, in ten annual instalments, and the extent to which local effort has been thus encouraged may be gathered from the fact that, whereas in 1893 the amount lent to Local Boards, &c., was only Rs. 33,216, distributed among four Boards, the amount lent out at the end of 1903 was Rs. 240,336, distributed in twenty-four loans among twelve Boards.

(H) LOANS TO OTHER BODIES.

In addition to the loans to Municipalities and Local Boards referred to above, it may be noted that in 1903 the Government lent to the Committee of the Planters' Association the sum of Rs. 150,000 for payment of a bonus on the manufacture of green teas. The loan is repayable within seventeen months, with interest at 4 per cent., out of the tea export duty, the proceeds of which are applied, on the recommendation of the Planters' Association, to increasing the consumption of Ceylon tea in foreign lands.

II.—TRADE, AGRICULTURE, AND INDUSTRIES.

(A) IMPORTS AND EXPORTS.

1. The year 1903 was a prosperous one for Ceylon trade, the aggregate value of the imports and exports being higher than in any year of the Colony's history, with the exception of 1900. The figures since 1893, expressed in lacs of rupees, are as follows (omitting specie, but including coal exported for use of steamers):—

Year.					Rs.
1893	...	...	...	...	1,392
1894	...	...	...	...	1,476
1895	...	...	...	...	1,610
1896	...	...	...	...	1,624
1897	...	...	...	...	1,690
1898	...	...	...	...	1,813
1899	...	...	...	...	2,130
1900	...	...	...	...	2,206
1901	...	...	...	...	2,042
1902	...	...	...	...	2,086
1903	...	...	...	...	2,158

2. The outstanding feature of the past decade has been the rapid expansion of the Colony's trade with foreign countries. The following table shows the distribution of the total imports and exports since 1893 (omitting specie and coal exported for use of steamers):—

Total Imports and Exports (in Lacs of Rupees).

Year.	United Kingdom.	British Colonies.	Foreign Countries.	Total.
1893 ... ..	568	545	118	1,231
1894 ... ..	724	542	125	1,391
1895 ... ..	773	618	139	1,530
1896 ... ..	683	597	158	1,438
1897 ... ..	768	634	202	1,504
1898 ... ..	785	682	241	1,708
1899 ... ..	922	728	365	2,015
1900 ... ..	896	819	340	2,055
1901 ... ..	800	783	317	1,900
1902 ... ..	800	752	394	1,946
1903 ... ..	796	804	431	2,031

3. From the above figures it will be seen that whereas in 1893 over 90 per cent. of the total trade of the island was with the United Kingdom and the colonies (including India), last year more than 20 per cent. of the total represented trade with foreign countries. Such a statement, however, does not adequately express the remarkable development of the Colony's foreign commerce. Between 1893 and 1903—

The total trade of the Colony increased 70 per cent.

The Home trade increased 40 per cent.

The Indian and Colonial increased 50 per cent.

The Foreign increased 370 per cent.

Taking imports and exports separately, the figures are, roughly, as follows:—

Imports from United Kingdom have increased 40 per cent.

Imports from Colonies have increased 50 per cent.

Imports from Foreign Countries have increased 350 per cent.

Exports to United Kingdom have increased 13 per cent.

Exports to Colonies have increased 50 per cent.

Exports to Foreign Countries have increased 380 per cent.

4. While the imports and the exports taken as a whole approximately balance\* one another, this is by no means the case as regards the imports and exports by the three main channels of the island's trade. Broadly, it may be said that Ceylon—

Exports to the United Kingdom half her total exports, and imports from the United Kingdom one-fourth her total imports.

Exports to British Colonies one-sixth her total exports, and imports from British Colonies nearly two-thirds her total imports.

Exports to Foreign Countries one-third of her total exports, and imports from Foreign Countries one-ninth her total imports.

(The predominant position held by the colonies as regards imports is mainly due to the fact that India supplies Ceylon with vast amounts of grain every year, the value of the rice received from the adjoining continent being nearly a third of the total imports of the Colony.)

### Imports.

5. The following summary exhibits a comparison between the state of affairs in 1893 and 1903:—

Imports.				1893.	1903.
				Rs.	Rs.
From United Kingdom	...	...	...	18,800,000	25,800,000
" British Colonies	...	...	...	43,700,000	64,800,000
" Foreign Countries	...	...	...	3,700,000†	11,700,000
Total	...	...	...	66,200,000	102,300,000

† Including Rs. 300,000 in specie.

It will be noticed that, although the imports from foreign countries are still a comparatively small proportion only of the total imports, their relative importance is no longer negligible, and if their present rate of increase continues, another ten years will place them in front of the imports from the mother country.

\* NOTE.—The balance of trade for the last five years is as follows:—

Year.					Excess of Exports.	Excess of Imports.
					Rs.	Rs.
1899	...	...	...	...	9,863,000	—
1900	...	...	...	...	—	8,537,000
1901	...	...	...	...	—	8,867,000
1902	...	...	...	...	12,848,000	—
1903	...	...	...	...	11,243,000	—

6. An examination of the following table, in which a comparison has been instituted between the sources of some of the chief imports in 1893 and 1903, will show in respect of what articles the foreigner has successfully competed with the United Kingdom, in some cases to the verge of supersession:—

Articles.	1893.			1903.		
	From United Kingdom.	From Foreign Countries.		From United Kingdom.	From Foreign Countries.	Chief Foreign Countries which now supply the Article.
<b>I.—Articles of Food and Drink—</b>						
Gin ...	Rs. 79,000	Rs. —		Rs. 40,000	Rs. 208,000	Holland and Germany.
Brandy ...	107,000	27,000		18,000	336,000	France.
Refined Sugar ...	{ 50,000* 490,000† 28,000‡	{ 7,000		{ 77,000* 148,000† 915,000‡	{ 750,000	Austria.
Potatoes ...	{ 12,000* 258,000† 82,000‡	{ 14,000		{ 3,000* 190,000† 165,000‡	{ 156,000	France, Germany, and Italy.
Biscuits ...	58,000	10,000		16,000*	108,000	Germany.
Cheese... ..	—	—		22,000\$	31,000	Holland and Germany.
<b>II.—Raw Materials—</b>						
Iron, Angle and Swedish Bar	43,000	—		8,000	32,000	Sweden, Germany, and Belgium.
Iron bar, flat ...	18,000	—		54,000	104,000	Belgium, Sweden, and Germany.
Cast steel ...	15,000	—		81,000	36,000	Germany and Belgium.
Coal ...	5,275,000	—		4,955,000	400,000	Japan.

III.—Manufactured Articles.

II.—Manufactured Articles.									
Galvanized iron	...	...	279,000	—	473,000	56,000	Belgium, Germany, and United States of America.		
Iron nails	...	...	83,000	40,000	70,000	87,000	Do.		
Hoop iron	...	...	115,000	7,000	148,000	111,000	Belgium and Germany.		
Hardware	...	...	406,000	5,000	985,000	113,000	Austria, United States of America and Germany.		
Tinware	...	...	22,000	—	13,000	36,000	Germany and Japan.		
Drums and tanks	...	...	22,000	5,000	22,000	34,000	Belgium and Germany.		
Machinery	...	...	660,000	—	1,032,000	130,000	United States of America and Germany.		
Flannel	...	...	55,000	7,000	88,000	28,000	Germany and Austria.		
Silk and satin...	...	...	48,000	14,000	119,000	165,000	Holland, Japan, France, and China.		
Made up apparel	...	...	64,000	2,000	266,000	120,000	Japan and Germany.		
Gray piece goods	...	...	937,000	6,000	801,000	88,000	United States of America and Holland.		
Dyed cotton piece goods	...	...	43,000	—	{ 434,000° 1,137,000†	332,000	Germany, Holland, Italy, and Switzerland.		
Haberdashery	...	...	600,000	12,000	711,000	90,000	Germany, Austria, and France.		
Manures	...	...	3,000	—	215,000	550,000	Germany.		
Kerosine oil	...	...	—	100,000	—	1,036,000	Russia and United States of America.		
Matches	...	...	37,000	34,000	2,000	256,000	Sweden, Austria, and Germany.		
Cement	...	...	170,000	14,000	88,000	102,000	Germany, Belgium, and Austria.		
Tea chests	...	...	36,000	—	450,000	1,032,000	Japan, China, and Russia.		
	* United Kingdom.	† India.	† Hong Kong.	§ Australia.					

7. It is possible that owing to the greater care which is now taken in discriminating the real country of production of articles imported into the Colony the above analysis may unduly magnify the increase in foreign imports, but it is believed that the figures for 1903 at least may be accepted as substantially accurate. From them it may be deduced—(a) as regards food-stuffs, that practically all the gin and brandy imported comes from Holland, Germany, and France; about 40 per cent. of the sugar from Austria; nearly half the potatoes from France, Germany, and Italy; 40 per cent. of the biscuits from Germany; and 45 per cent. of the cheese from Holland and Germany; (b) as regards raw material, that more than half the angle, bar, and flat iron, and cast steel comes from Sweden, Belgium, and Germany; and that Japan now supplies an appreciable quantity of coal; (c) as regards manufactured articles, that in textile and metal goods and machinery, foreign countries are still a long way behind the United Kingdom, but have gained a firm footing; that Germany, Belgium, Austria, Japan, and Russia outdo the United Kingdom in the supply of manures, cement, and tea chests; that Russia and the United States of America have the monopoly of kerosine oil; and Sweden, Austria, and Germany of matches.

8. The next table has been drawn up to show (a) the growth of imports from the chief foreign countries during the ten years, and (b) the staple articles which are now imported from each:—

IMPORTS FROM FOREIGN COUNTRIES.

Imports from			In 1893.	In 1903.	Chief Articles now imported in 1903.
Austria ...	...	...	Rs. 150,698	Rs. 985,006	Refined sugar (Rs. 647,000), hardware, beds, cement, furniture, glass, haberdashery, lamps, matches, paper.
Belgium ...	...	...	74,523	469,883	Iron and steel (raw, Rs. 126,000, manufactured, Rs. 93,000), cards, glass, manure, cement, sugar.
France ...	...	...	203,867	744,550	Brandy (Rs. 336,000), wines (Rs. 170,000), potatoes, silks, haberdashery, umbrellas.
Germany...	...	...	348,568	2,061,008	Manures (Rs. 437,000), textile manufactured goods (Rs. 271,000), metal goods (Rs. 282,000), cement, chinaware, explosives, glass, haberdashery, lamps, machinery, soap, timber, toys, refined sugar, metals (raw material).
Holland ...	...	...	135,272	488,582	Gin (Rs. 186,000), cotton goods (Rs. 130,000), silks, piece goods, cheese.
Italy ...	...	...	36,390	269,440	Potatoes (Rs. 107,000), textile goods, writing paper.
Japan ...	...	...	304,934	1,583,483	Tea chests (Rs. 936,000), coal (Rs. 400,000), rickshaws (Rs. 40,000), made-up apparel, silks, fancy articles, mats.
Russia ...	...	...	100,533	897,520	Kerosine oil (Rs. 856,854).
Sweden ...	...	...	—	250,442	Matches (Rs. 206,304), raw iron (Rs. 35,000).
Switzerland	...	...	2,775	370,762	Milk (Rs. 220,629), cotton goods (Rs. 74,000), manures (Rs. 65,000).
United States of America	...	...	380	721,887	Kerosine oil (Rs. 179,000), tobacco, textile goods, metal manufactured goods, machinery, lubricating oil, &c.
Total of all Foreign Countries ...			3,714,922	11,749,049	

9. It will be seen that Germany is well ahead of the others, and that her exports to Ceylon are very varied. Japan makes a good second, but the imports therefrom consist almost wholly of tea chests and coal. Austria, Russia, France, and the United States are fairly on an equality, as also are Holland, Belgium, Switzerland, Italy, and Sweden.

### *Exports.*

10. Turning now to exports, the following summary corresponds to that for imports in section 5:—

#### EXPORTS OF CEYLON PRODUCE and MANUFACTURE.

—	1893.	1903.
	Ra.	Ra.
To United Kingdom ...	48,000,000	53,900,000
To British Colonies ...	10,800,000	15,600,000
To Foreign Countries ...	8,400,000	31,400,000
Total ...	67,200,000	100,900,000

Here the expansion of the foreign trade is still more striking. The exports to foreign countries, which ten years ago were exactly one-eighth of the total exports and were Rs. 2,400,000 less than the exports to British possessions, are now almost one-third of the total exports, are double the exports to British possessions, and are rapidly approaching the exports to the United Kingdom.

11. Ceylon's chief customers in the foreign markets in 1893 were the United States of America, Germany and Russia. These countries still retain their pre-eminence and in the same order, but the German and Russian trade has developed in greater proportion than the American. A comparison between the foreign exports of 1893 and 1903 is annexed, the chief articles contributing to the figures being shown as in the case of imports (section 8):—

Exports to			Chief Articles exported in 1903.	
			In 1893.	In 1903.
			Rs.	Rs.
Austria	...	...	709,709	1,163,376
Belgium	...	...	442,109	2,662,663
France...	...	...	165,751	1,754,506
Germany	...	...	2,010,064	7,069,284
Holland	...	...	158,487	301,699
Italy	...	...	118,109	688,441
Japan	...	...	63,380	98,296
Russia (Asiatic and European)	...	...	398,604	6,018,743
United States	...	...	3,954,514	8,545,632
Total for all Foreign Countries			8,387,484	31,365,927

Coconut oil (Rs. 753,000), copra (Rs. 290,000), cinnamon (Rs. 50,000), tea (Rs. 31,000).  
 Poonac (Rs. 654,000), copra (Rs. 650,000), plumbago (Rs. 452,000), coconut oil (Rs. 260,000), coir fibre (Rs. 151,000), desiccated cocoanuts (Rs. 86,000), tea (Rs. 65,000).  
 Copra (Rs. 1,076,000), coconut oil (Rs. 253,000), tea (Rs. 172,000), cinnamon (Rs. 66,000), cacao (Rs. 50,000), pootac (Rs. 36,000).  
 Copra (Rs. 2,844,000), plumbago (Rs. 971,000), cinnamon (Rs. 818,000), poonac (Rs. 800,000), coconut oil (Rs. 380,000), desiccated cocoanuts (270,000), tea (Rs. 233,000), coir yarn (Rs. 128,000), coir fibre (Rs. 124,000), cardamoms (Rs. 76,000), citronella oil (Rs. 50,000), fresh cocoanuts (Rs. 67,000).  
 Cinnamon (Rs. 112,000), desiccated cocoanuts (Rs. 55,000), coconut oil (Rs. 50,000), copra (Rs. 40,000).  
 Copra (Rs. 360,000), cinnamon (Rs. 160,000), coconut oil (Rs. 135,000).  
 Plumbago (Rs. 46,000), cardamoms (Rs. 21,000), citronella oil (Rs. 13,000).  
 Tea (Rs. 3,950,000), copra (Rs. 2,005,660), plumbago (Rs. 52,000).  
 Plumbago (Rs. 2,964,000), tea (Rs. 2,701,000), coconut oil (Rs. 1,700,000), citronella oil (Rs. 400,000), cinnamon (Rs. 304,000), desiccated cocoanut (Rs. 330,000), cacao (Rs. 41,000).

12. Perhaps the most satisfactory features of the Ceylon export trade with foreign countries in recent years are the success of Ceylon tea in Russia and America, the large increase in the exports of plumbago to Germany and the United States, and the remarkable demand by all the important countries for the produce of the cocoanut palm.

13. The rapid development of Ceylon trade derived from the cultivation of the cocoanut palm has in recent years frequently been the subject of congratulation, and it is of interest, therefore, to note that the island's best customers for these important staples are foreign countries, as will be seen from the following summary:—

**VALUE of EXPORTS of PRODUCTS of the COCOANUT  
PALM in 1903.**

Products.	Exported to United Kingdom.	Exported to Colonies.	Exported to Foreign Countries.
	Rs.	Rs.	Rs.
Arrack ... ..	—	126,000	3,500
Fresh cocoanuts ... ..	438,000	9,200	202,400
Desiccated cocoanuts ... ..	2,061,000	220,400	823,000
Coir fibre ... ..	373,000	69,000	345,000
Coir rope ... ..	1,000	204,000	2,500
Coir yarn ... ..	646,000	93,500	205,700
Copra ... ..	70,000	8,700	7,453,000
Cocoanut oil ... ..	6,792,000	653,000	3,578,000
Poonac ... ..	9,000	—	1,490,000
<b>Total ... ..</b>	<b>10,396,000</b>	<b>1,383,800</b>	<b>14,103,100</b>

14. Briefly, the products of the cocoanut palm represented 25 per cent. of the exports of Ceylon produce in 1903, and of this amount foreign countries took more than half. For copra and poonac, indeed, it would appear there would be practically no market were it not for Germany, Russia, France, Belgium, Italy, and Austria.

15. The great bulk of the tea exported still goes to the United Kingdom, but whereas in 1893 the exports to foreign countries were infinitesimal, foreign countries now take almost as much as British Colonies, the exports to which have themselves more than doubled.

16. To conclude this analysis of the Colony's exports, the following summary discloses the fact that in the case of three out of five staples (regarding products of the cocoanut palm as a whole) Ceylon is chiefly dependent on foreign countries

for her trade, and that in respect of the chief staple of all, the foreign trade is a factor of very considerable importance:—

STAPLE EXPORTS of the COLONY in 1903.

Products.	To United Kingdom.	To British Colonies.	To Foreign Countries.
	Rs.	Rs.	Rs.
Tea ... ..	38,000,000	10,500,000	9,500,000
Products of the cocoanut palm ...	10,500,000	1,500,000	14,000,000
Plumbago ... ..	1,446,000	48,500	4,430,000
Cinnamon ... ..	443,000	30,000	2,000,000
Cacao ... ..	1,734,000	207,000	300,000

17. After making due allowance for possible inaccuracies in the figures from which the above tables have been compiled, it may not unreasonably be deduced that the foreign trade of the Colony has increased at about seven times the rate of the trade with the home country and sister colonies, but that while the foreigner has succeeded to a considerable extent in ousting the British producer from the Ceylon market, the Ceylon producer has made still greater inroads on foreign markets, the exports to those markets being nearly three times the imports from them.

18. Finally, it may be noted that the Ceylon import tariff is one imposed primarily and practically entirely for revenue purposes. The general rate of duty is  $5\frac{1}{2}$  per cent. *ad valorem*. Sundry articles are admitted free, such as tea machinery and requisites, manures, unwrought metals, &c., and there are special rates for cotton goods, wines, spirits, tobacco, &c. There is a quasi-protective duty of 25 cents (*i.e.* 4*d.*) a pound on tea, which is retained at the instance of the Planters' Association and the Chamber of Commerce, the object being to discourage the blending of other teas at Colombo in order that nothing but pure Ceylon tea may be shipped from the island.

*Customs Revenue.*

The revenue derived from Customs dues in 1903 was the highest ever reached, and shows an increase as compared with 1902 of Rs. 412,887.32. The following table shows the income from this source for the twelve years beginning with 1892—

**GROSS CUSTOMS REVENUE for the TWELVE YEARS  
ended 1903.**

Year.				Revenue.	
				Rs.	c.
1892	...	...	...	4,663,562	47
1893	...	...	...	4,498,912	10
1894	...	...	...	4,931,967	42
1895	...	...	...	5,770,241	2
1896	...	...	...	5,550,971	65
1897	...	...	...	6,278,787	49
1898	...	...	...	6,714,625	82
1899	...	...	...	7,101,851	73
1900	...	...	...	7,620,432	29
1901	...	...	...	7,446,807	26
1902	...	...	...	7,630,175	62
1903	...	...	...	8,043,062	94

The increase in 1903 is mainly due to larger imports of grain, spirits and cordials, sugar, and other goods.

Up to 1893 the Customs revenue included recoveries under the head of "Port Dues," which are now shown under a distinct head.

The chief articles contributing to the revenue in 1903 were—

				Rs.
Grain	...	...	...	3,079,420
Kerosine Oil	...	...	..	1,039,512
Sugar	...	...	...	621,361
Cotton	...	...	...	245,785
Tobacco	...	...	...	216,511

*Tea.*

The export of tea, nearly 150,000,000 lb., is the largest yet recorded, but the quantity of black tea shows a further decrease on last year. An appreciable rise in the price of black teas on the London market has thus been caused, and would have been much greater had not the Indian exports more than made up the deficiency in those of Ceylon, while a larger amount of cheap China teas has also been used in England. The average price of Ceylon tea in London was 7·52*d.*, against 6·81*d.* in 1902.

The manufacture of "green tea," originally recommended by the planters' agent in the United States, is a new and very promising branch of the industry. In 1898 the Planters' Association began to give a bonus on the production of these teas, and so rapid has been the development of the new trade that funds ordinarily at their disposal have proved insufficient

to meet the demand for the bonus. In 1903 some 8,200,000 lb. of green teas were exported chiefly to markets where black teas have little or no sale, and the results of the new enterprise are strikingly exemplified in the returns of the total export of tea from the island. After the experience of 1900 and 1901, when prices sank very low, chiefly owing to over-production, the planters curtailed their exports, so that the figure for 1901 was 3,000,000 lb. less than in 1900. The figure for 1902, including green teas, showed, however, an advance of 500,000 lb. on even the high-water mark of 1900, while the output for 1903 was 149,200,000 lb., or about a million more than in 1900. This apparent return to excessive production is due to the export of green tea to the American market and to an increased export of tea to countries other than the United Kingdom.

An interesting and hopeful feature in the development of the Ceylon tea trade in recent years has been the successful exploitation of new markets and the consequent relief in the strain on the home market. In 1895 out of a total tea export of 98,581,060 lb., only 12,186,532 lb. were diverted from London; in 1903 no less than 52,000,000 lb. went to other countries out of a total export of 149,000,000 lb. The increase during recent years in the amount of tea exported to the United Kingdom has been negligible, the figure for 1896 being 95,487,000 lb., and in 1903 97,267,000 lb. To Canada, however, there has been an increase from 184,000 lb. in 1896 to over 6,000,000 lb. in 1903, while Australia and New Zealand take over 19,500,000 lb., as against only 11,500,000 lb. in 1896. No less remarkable is the advance in the tea trade with foreign countries, one of the features of the trade being the increase of tea exported to Russia. In 1896 only 201,000 lb. were exported there from Ceylon. In 1903 the figure had risen to over 10,000,000 lb.; and the actual total is really much higher, as most of the tea exported to China finds its way to Russia. In 1896 the exports to China were 85,000 lb. only. Last year they had risen to nearly 5,000,000 lb. The increase in the export to the United States is very promising, having risen from 318,000 lb. in 1896 to nearly 7,000,000 lb. in 1903. The increase in this instance is, as previously explained, due to the recognition of the fact that what is wanted in America is green tea, more than half the tea exported to the United States being of that variety.

This rapid expansion of the field of activity is chiefly due to the practical and successful manner in which the proceeds of the "cess"—the small export tax on tea—have been administered by the Committee of the Planters' Association and Chamber of Commerce and the Commissioners appointed by the Committee. Government on its part contributed Rs. 120,000 towards an adequate representation of Ceylon products, more especially tea, at the last Paris Exhibition, and more than three times this sum will be spent on this year's exhibition at St. Louis.

The Imperial tax on tea continued during the year at 6*d.* a pound. It was hoped that consumption in the United Kingdom would receive a much-needed impetus by the remission of at least the additional war tax of 2*d.* a pound which was imposed in 1900, and the announcement of the further addition to the tax in this year's Budget has been received with keen disappointment.

(B) MINES, MANUFACTURES, AND FISHERIES.

*Pearl Oyster Fisheries.*

After an interval of twelve years a pearl fishery was held at Marichchikaddi (on the north-west coast) and proved a conspicuous success. The fishery commenced on March 2 on the North-east Cheval Paar, and terminated on April 14. There were thirty-eight working days, during which 41,180,137 oysters were fished, giving a Government share 27,435,425. The receipts by sale of oysters amounted to Rs. 816,478. To this must be added Rs. 12,872 additional revenue, such as Customs, rents, &c., which bring the total receipts of the fishery to Rs. 829,348. The revenue derived from the six best fisheries since 1837 is as follows:—1859, Rs. 483,015; 1863, Rs. 510,723; 1881, Rs. 599,533; 1888, Rs. 804,312; 1891, Rs. 961,541; and 1903, Rs. 829,348. In productiveness the 1903 fishery is probably third, the fishing of 1888—when the expenses were considerably less than in 1903—taking second place.

The chief feature of the pearl fishery market of 1903 was the number of small speculators and Ceylon buyers. The success of previous fisheries from the earliest times was considered to depend on the number of Indian merchants attracted to the spot, and the principal difficulty the superintendent had to meet was a combination amongst the merchants; in 1857, for example, a league of Chetties was only broken up by a Proclamation closing the fishery. At the fishery of 1903 an inner ring of big speculators at first kept down prices, and oysters were sold at from Rs. 20 to Rs. 25 a thousand, the big buyers taking lots of from 50,000 to 100,000 oysters and dividing these between fifteen to twenty purchasers. This combination was broken up by the small buyers, who only wanted a few thousand and did not mind paying a few extra rupees to get them. Prices rose rapidly, and at the close of the fishery ranged from Rs. 35 to Rs. 50 a thousand.

The fishery appears to have been a very profitable one for the divers and merchants. Divers came from Tuticorin, Keelakari, Mandapam, and Paumben in India, and from Erukelampidi in the Mannar District, and a few men from Galle and Jaffna. By the end of February there were 260 boats and about 3,000 divers at Marichchikaddi. The merchants came from all parts of India and Ceylon, and from Arabia, Persia, and Cashmir.

The trade in pearls was very brisk, and the prices paid were unprecedented. This is chiefly owing to the fact that no fishery had been held in Ceylon since 1891, and to the demand in the Indian and English markets.

It is generally believed that the fishery of 1903 turned out very good single pearls, many of which were sold for prices varying from Rs. 500 to Rs. 3,000.

Although the profit accruing to Government from these pearl fisheries is large, it has been urged that it might be considerably enhanced if the present stereotyped methods of fishing and washing the pearls were superseded by a more modern system. At present the native divers, having got their oysters, weigh anchor, and after a run of some hours' duration reach the shore, where their loads—theoretically the whole of their loads—are divided into three equal shares, of which they take one and the Government takes two. Theoretically, therefore, the Government gets a two-third share of the profits of the fishery, and the natives get one-third. But, as a matter of fact, it is known that during the hours of the run in from the banks to shore the divers and the crews of their boats are busily engaged in extracting as many pearls as time permits; and even when the shore is reached, and these opportunities for extraction come to an end, the crowd and bustle is so great that, despite every precaution, it is certain that a few entire loads, or parts of others, escape being submitted to partition. Consequently, in the opinion of the most experienced Government officials, the actual share of profit on the fishery obtained by the Government is not two-thirds but one-half. Even this half is, however, only the gross profit, as from it has to be deducted the cost of the construction and upkeep of the very extensive camp. It is therefore obvious that a system which would leave all the oysters in the hands of Government would be greatly to the advantage of the revenue.

From recent investigations by means of diving dresses on the oyster beds themselves it seems probable that a larger number of oysters could be obtained at less labour and cost and with less restriction as to depth and as to the state of the weather and time of the year by the ordinary dredging apparatus used on the English oyster beds. On the other hand, the present system cannot lightly be discarded. Any radical change must be introduced gradually and with every precaution both to guard against dissatisfaction on the part of those accustomed to the old methods and to ensure the success of the new.

A noteworthy event of the year was the publication of Professor W. A. Herdman's report on the pearl oyster fisheries in the Gulf of Mannar. In this work, which has been published by the Royal Society with the co-operation of the Ceylon Government, Professor Herdman gives a definite explanation of the causes exercising pernicious effects upon the pearling

industry, and he formulates a number of remedial or rather cultural measures which he believes will bring prosperity and eliminate to a considerable extent the discontinuity which has been a marked but inexplicable characteristic of the past.

The chief causes of mortality among the oysters appear to be as follows: shifting of sand due to the strong currents and the monsoons, the ravages of natural enemies such as voracious fishes, overcrowding, diseases due to the invasion of parasites, and over-fishing. As regards the intermittence of the pearl fisheries, Professor Herdman considers that the main hope of introducing constancy of results and a regular succession of fisheries must rest upon a system of transplanting young "strikes" or broods of oysters when they make their appearance on useless or unreliable paars to wherever there is room for them at the time upon ground where it is known they will have a better chance of living and growing to maturity. With reference to "over-fishing" or the exhaustion of breeding stock at a time when no further supply of young in the larval stage is being brought by currents from neighbouring grounds, Professor Herdman thinks that in the future if transplanting is adopted it may be expected that such a state of affairs as the last fishery of a series with no young oysters growing up in the neighbourhood, will be very unlikely to recur. Many of Professor Herdman's final recommendations are being carried out by the Marine Biologist who accompanied him during his investigations in 1902, and whose services have since been retained for a further period of five years by Government.

Professor Herdman's inquiry was not confined to seeking the best methods of reusitating the pearl fisheries, but extended to all possible valuable marine products of the Colony. There appear, for instance, to be great possibilities in respect of sponge culture on an extensive and profitable scale at Trincomalee and in the shallows of the Jaffna Peninsula, while the culture of edible oysters and of the pearl-bearing Tampalakam window oyster (*Placuna Placenta*) is capable of extensive development.

In order that Professor Herdman's investigations and suggestions might be followed up by further practical study of local conditions, a temporary marine laboratory has been established at Galle, where the Biologist has every facility for prosecuting his experiments. The laboratory should also attract zoologists, for it may well be doubted whether anywhere else there are equal opportunities for the study of a tropical marine fauna in conjunction with laboratory conveniences essential to successful research.

#### *Mineralogical Survey.*

Efforts have been repeatedly made to initiate a geological survey of the island, but have hitherto been unsuccessful owing to the difficulty of obtaining the necessary expert staff. In the meantime a mineralogical survey has been undertaken and

work commenced in 1903. The survey which is being carried out by an expert under the direction of Professor Dunstan of the Imperial Institute is expected to extend over two or three years, and is specially concerned with the investigation of the occurrence, composition, and commercial value of such minerals as are of economic importance, with a view to their commercial development, and eventually to their exploitation with the aid of native or English capital. Such minerals as mica, corundum, ironstone, limestone, clays, and quicksilver ore, all of commercial value, are known to occur, but information is needed as to the nature and extent of the deposits, the quality of the minerals, and their suitability for industrial purposes. The actual survey is now being conducted in communication and in co-operation with the scientific and technical department of the Imperial Institute, which undertakes the chemical analysis of all samples of minerals sent for the purpose, and arranges with manufacturers and others for carrying out such technical trials of the materials on a large scale as are requisite to test their suitability for industrial purposes. The Institute also obtains reports on the commercial value of the samples on the basis of the results of their chemical analysis and technical trials.

Already two discoveries of great scientific interest and practical importance have been made. Among the specimens sent home were those of a mineral existing in small black cubical crystals found in the refuse from gem washings near Balangoda in the Province Sabaragamuwa. The mineral had been locally identified as probably uraninite or pitchblende, but on analysis by the scientific staff of the Imperial Institute its principal constituent was found to be oxide of thorium, which was present to the extent of more than 75 per cent., an amount far higher than that contained in any mineral hitherto examined. The mineral, therefore, appears to be new, and Professor Dunstan has suggested for it the name of *thorianite*. Since it is radioactive, it will, it is expected, be found to be an important source of radium or radio-active earths, and will probably furnish helium.

Another Ceylon mineral examined was also found in the same gem washings at Balangoda, and was at first thought to be monazite, but has since been identified at the Imperial Institute as thorite, consisting chiefly of thorium silicate.

Considerable commercial importance attaches to the discovery of these two minerals, since their chief constituent, thorium, is now largely employed in the manufacture of incandescent gas mantles.

### *Salt.*

The year 1903 will be memorable as the year in which there was an almost total failure in salt production. It was observed in the early months of the year that the stock of salt in the

island was gradually but regularly decreasing, and efforts were accordingly made to stimulate production, but unfortunately the weather was consistently unfavourable to the salt industry, with the result that the production was practically *nil*. In order, therefore, to meet the requirements of the island until the time of the next collection it was decided to import salt from India—a course which was followed in 1881—and this has been done with very successful financial results.

(C) AGRICULTURAL INDUSTRIES AND BOTANICAL STATIONS.

*Cotton.*

Steps were taken in 1903 towards the initiation of an agricultural experiment which may prove to have very far-reaching consequences for the island. The rapid rise in the price of cotton owing to the shortage of crops in America and the efforts of the British Cotton-Growing Association to encourage the growth of cotton within the Empire synchronized with the approaching completion of the Northern Railway, which passes through vast tracts of undeveloped but promising country, on the irrigation of which large sums of money have been and are being spent. It was proved some years ago that these parts of Ceylon were adapted for cotton cultivation, and it is evident, therefore, that there is an excellent prospect of a new and profitable industry for the Colony.

The chief question is whether Ceylon cultivators can grow a staple better than the inferior Indian staple which was formerly cultivated in the island, and which as at present grown in India yields a poor return in price. To determine this point Government has sanctioned an experimental cultivation, which is being carried out under the supervision of the Director of the Royal Botanic Gardens, who has received valuable help in the supply of seed, machinery, and advice from the British Cotton-Growing Association. An area of about 80 acres is being planted with cotton under the new tank at Maha Illuppalama, about 20 miles south of Anuradhapura in the North-Central Province, and a thorough trial will be given to large plots of Tinneveli, Egyptian, and American cottons, with and without irrigation. The experiment has been made three-cornered by adding fodder and stock, the latter to supply manure for the cotton. Besides the Government experiment, it is intended to grant favourable terms to capitalists intending to experiment with the industry, and there have already been several applications for land on behalf of English syndicates, in one case for 5,000 to 10,000 acres of land under Minneri, another tank in the North-Central Province. It is also intended to encourage cotton growing among the villagers by grants of good seed on credit, and by purchase of the crop for a few years, until the possibilities of the industry securing a hold in Ceylon have been thoroughly tested.

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The chief agricultural products continue to be paddy, tea, cocoanuts, cacao, tobacco, and spices. The area under paddy cultivation increases very slowly, and it is doubtful whether the home-grown paddy suffices for more than one-third of the total rice consumption of the island, the other two-thirds being imported. With the opening of land under new irrigation tanks in the dry zone, however, the area under rice continues slowly to increase.

The industry which attracted most attention during 1903 was indiarubber. About 45,000 lb. of rubber were exported, and obtained much higher prices on the London market than any of the wild rubber from the Amazon Valley or elsewhere, owing to the great cleanliness of the "biscuits," which are prepared by the method elaborated by Mr. Parkin, formerly on the staff of the Royal Botanical Gardens Department. The estimates of yield published in 1898 have been exceeded, while the cost of growing and tapping is considerably less than that of collecting the wild rubber in America or Africa. Planting is going on rapidly, and probably an area of about 12,000 acres is now covered with rubber in the wet zone of Ceylon, while experiments in growing rubber under irrigation are being started in the dry zone.

Tea was threatened by several serious pests—insect and fungus—but timely action was taken under the advice of the Mycologist and Entomologist, and there is no reason to fear any severe outbreak of disease over large areas. The year was on the whole a prosperous one, owing to the output of green teas and other causes reducing the export of black tea and improving the price. An interesting feature was the establishment of a small company to manufacture soluble tea directly from the green leaf.

Cocoanuts share in the general expansion, and the exports of the produce of the coconut palm were the largest on record. In 1896 the value of the exports of the coconut palm was Rs. 11,178,000. In 1893 the value had risen to nearly Rs. 26,000,000. The articles which chiefly contributed to this large amount are coconut oil (Rs. 11,000,000), copra (Rs. 7,500,000), desiccated cocoanuts (Rs. 3,100,000), and poonac (Rs. 1,500,000). The last two articles are comparatively new, desiccated cocoanuts—so largely in request for confectionery—being an unknown product twenty years ago, but the exports of these two articles alone are now equal in value to the total exports of the products of the coconut palm in 1882. The most marked advance since 1896 has been in the export of copra, which has increased in value from  $5\frac{1}{2}$  to 75 lacs of rupees, and in quantity from 57,500 cwt. to 730,000 cwt. Coconut oil has risen from 60 to 110 lacs, and the value of poonac exported has increased more than 100 per cent., reaching 15 lacs in 1902. Coir fibre has risen from  $2\frac{1}{2}$  lacs in 1896 to nearly 8 in 1902.

The important position which the products of the cocoanut palm now occupy in the trade returns may be gauged from the fact that whereas in 1896 they formed only about 14½ per cent., they now represent nearly 26 per cent. of the total exports of Ceylon produce.

Cacao also had a prosperous year. The canker is now kept well in hand on most estates, and even the greatest sceptics are being convinced of the efficacy of proper treatment by the success of such methods on the Experiment Station, where there is now but little canker, though in 1902, when the place was purchased, about 98 per cent. of the trees were cankered.

The continued adulteration of citronella oil led to a further heavy fall in the exports, but measures are under consideration for the examination of all oils before export, and the export of such oils only as pass a certain standard of purity. In this way it is hoped that this important minor industry may be prevented from further decline.

Among spices, cardamoms, as predicted some years ago, have been suffering from great overproduction, the exports showing a rise of about 47 per cent, as compared with 1902. The trade in cinnamon also shows great expansion, while other spices remain stationary. Vanilla is no longer being planted on account of the drop in price, due to overplanting in other countries. Pepper, on the other hand, shows signs of progress.

Among drugs, the export of cinchona continues to fall. On the other hand, Ceylon coca leaves are now regularly exported to London, and obtain the highest market prices. The cultivation of camphor continues to spread slowly in suitable districts in the hills, and distillations have given promising results. The recent rise in price will give a stimulus to this industry.

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The work of the Department of Royal Botanic Gardens was, as usual, devoted mainly to the larger industries, their improvement, and conservation. The planting industries in particular are becoming every year more and more scientific in their methods. A noteworthy feature of 1903 was the movement in favour of legislative help in combating disease, to enable pressure to be brought to bear upon those who wilfully neglect to deal with disease upon their plantations, and thus become sources of infection to their neighbours. A committee has since been appointed to advise on the question of pests and plant sanitation generally.

Interesting experiments in the breeding of improved local races of peas, maize, &c., have been continued during the year

with promising results; this work is among the very first of its kind in the tropics, and a great future lies before it.

Experiments have been begun upon the protection of soils from wash, and their enrichment in nitrogen, by planting of leguminous crops among the regular crops, such as tea. The results are very promising, and there are already signs that a radical change may soon come over the planting industries in this direction.

Special attention has been devoted to the formation of large stocks of vegetables for local distribution through the school gardens and in other ways. The school gardens have already been the means of introducing quite a number of new vegetables into the villages.

#### (D) LAND GRANTS AND VALUE OF LAND.

In 1903 27,829 acres of land were alienated by the Crown by sale or settlement, as against 38,117 acres in 1902. The amount realised was Rs. 702,142, or an average of Rs. 25·23 an acre.

Of the above amount 3,897½ acres of irrigable land was sold in 1903 under "Sir Henry Ward's Minute," which provides for payments in four annual instalments. Of the balance 23,931½ acres, 19,761 acres were purchased by natives and 4,170¼ acres by Europeans.

During the year the operations of the Survey Department comprised block surveys of 282,149 acres, topographical surveys of 897,290 acres, and application surveys of 47,195 acres, or a total of 5,601,604 acres, in addition to the revised and hill sketched surveys for the 8-mile map of the island.

#### (E) SHIPPING.

The shipping returns of the island show an increase of 62 vessels and an increase of 361,482 tons over the returns of 1902. The figures for the last three years are as follows:—

	1901.		1902.		1903.	
	No.	Tons.	No.	Tons.	No.	Tons.
Entered ... ..	3,367	4,557,607	3,418	4,981,584	3,452	5,184,690
Cleared ... ..	3,436	4,470,963	3,429	4,973,672	3,457	5,132,048
	6,803	9,028,570	6,847	9,955,256	6,909	10,316,738

The arrivals at the Port of Colombo in the year 1903 numbered 1,877 steamers aggregating 4,691,020 tons, and 508 sailing vessels aggregating 48,266 tons, showing a decrease in steamers of 10 vessels, but an increase in tonnage of 166,988 tons, and in sailing vessels a decrease of 38 vessels aggregating 1,973 tons, as compared with the preceding year.

The arrivals at the Port of Galle in 1903 numbered 163 steamers aggregating 345,518 tons, and 15 sailing vessels aggregating 1,441 tons, showing an increase in steamers of 1, and an increase in tonnage of 44,223 tons, and in sailing vessels an increase only in tonnage of 210 tons, the number of vessels being the same as in the preceding year.

As regards Colombo, the steamer tonnage was nearly 98 per cent. of the whole. The vessels for the most part fly the British flag, the tonnage for 1903 under that flag representing 69 per cent. of the whole. Germany comes first among the vessels under foreign flags, with nearly 5 per cent. of the number and 12·4 per cent. of the tonnage. The other vessels flying the principal flags are—

	Year 1903.	
	No.	Tons.
French ... ..	115	279,312
Japanese ... ..	69	238,691
Austrian ... ..	59	180,301
Russian ... ..	47	127,257

The highest proportion of the tonnage of foreign vessels is of those flying the German and Japanese flags.

#### *Colombo Harbour Dues.*

The total collection of Harbour Dues at Colombo during the year 1903 amounted to Rs. 1,148,190.75, an increase of Rs. 44,177.49 over the preceding year, and Rs. 1,421.42 over the year 1900, the collections of which were abnormally large. The collection for the year 1903 exceeded those of all previous years. Compared with the collection of the first year (1883), viz., Rs. 379,018.23, the receipts in 1903 show an increase of Rs. 769,172.52. The total collections up to last year since the Harbour Revenue was established in 1883 amounted to Rs. 15,239,788.35.

The following table, showing the number and tonnage of vessels calling to coal at Colombo, and the entering dues paid since 1883, proves the rapid growth of the port:—

Year.	No.	Tons.	Entering Dues.
			Rs.
1883    ...    ...	110	168,216	10,145
1884    ...    ...	135	217,419	12,955
1885    ...    ...	148	244,131	14,460
1886    ...    ...	136	219,232	12,822
1887    ...    ...	179	288,471	17,230
1888    ...    ...	256	432,133	25,340
1889    ...    ...	302	484,697	29,359
1890    ...    ...	344	557,446	33,342
1891    ...    ...	326	540,370	31,975
1892    ...    ...	307	520,299	30,822
1893    ...    ...	348	619,979	35,872
1894    ...    ...	369	696,583	39,240
1895    ...    ...	387	786,819	42,265
1896    ...    ...	384	794,899	40,955
1897    ...    ...	366	787,785	40,420
1898    ...    ...	493	1,004,145	53,722
1899    ...    ...	498	1,020,393	53,972
1900    ...    ...	607	1,309,760	64,715
1901    ...    ...	630	1,390,960	66,397
1902    ...    ...	610	1,339,945	65,713
1903    ...    ...	590	1,297,974	64,430

### III.—LEGISLATION.

The chief enactments of the year were as follows:—

Ordinance No. 2 of 1903, without affecting the main principles of the Customs tariff, introduced certain amendments of detail which had been necessitated by alterations and developments in the course of trade, such, for example, as the growing importation of liquid fuel, and the introduction of motor cars. Motor cars not used for traction have been excluded from the exemption in favour of prime movers,\* and the flashing point for liquid fuel below which it becomes dutiable as kerosine oil has been reduced from 200°F. to 150°F. In order to check the importation of potable spirits under the guise of “perfumery,” a duty of Rs. 7 per gallon was imposed on perfumery and spirits imported as perfumery.

By Ordinance No. 3 of 1903, previous Ordinances with regard to the repression of crime were consolidated and amended. In particular, the procedure for the allocation and recovery of the amounts charged to defray the cost of punitive police, &c., was revised with the view of securing greater simplicity and efficiency.

\* NOTE.—It has since been decided, however, to allow a rebate in favour of motor cars imported by Government contractors for use in mail coach services.

Important amendments in the law of criminal defamation were effected by Ordinance No. 5 of 1903. With the object of preventing the institution of criminal actions for defamation in cases where the civil remedy would satisfy the requirements of justice, the Ordinance prohibits the institution of such cases without the previous sanction of the Attorney-General. On the other hand, provision for the punishment of inveterate offenders has been made by empowering the courts, in cases where the offender has been previously sentenced to twelve months or upwards, to award the punishment of hard labour.

An important modification of the Currency Ordinance was effected by Ordinance No. 6 of 1903, and is explained under the head "Currency" (*vide* section I.).

Ordinance No. 8 of 1903 prohibits the establishment of any apparatus or installation for transmitting or receiving messages by means of wireless telegraphy without the license of His Excellency the Governor.

The Penal Code was amended by Ordinance No. 10 of 1903, the object of which is to secure the punishment of clerks or servants who fraudulently falsify books or papers in their charge. As the law stood previously it was often difficult to bring home a charge of forgery or embezzlement. The amendment follows the Law of England by making falsification of books a substantive offence.

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#### IV.—EDUCATION.

##### (A) PRELIMINARY.

It is not possible to draw the same clear line between preliminary and secondary education in Ceylon which can be drawn in some other countries. The question is complicated by the fact that English is a foreign language to all but a small fraction of the population. The Europeans, Burghers, and Eurasians added together form a little less than 1 per cent. of the population. The Sinhalese form 65·3 per cent. of the total; the Tamils and Tamil-speaking Moors 33·1 per cent. A few families among the educated Sinhalese and Tamils have adopted English as their home language. On the other hand, in many of the poorer families of Burghers and Eurasians the children are brought up without anything approaching to a complete knowledge of any language. The result is that schools in which English is taught are teaching a language which is foreign to all or almost all of their pupils, and the distinction between primary and secondary education is replaced by the distinction between vernacular and English schools. The vernacular schools really constitute the primary education of the country. The Department of Public Instruction attempted for

some time to make a distinction between those English schools which confined their work to the schedules of the Code and those which also prepared pupils for such examinations as the Cambridge Local or the London University Matriculation, the latter being classed as High schools. In recent reports on the Blue Book this distinction has been followed, and all English schools, except the High schools, have been dealt with under the head of "Primary Education." But the distinction is no longer maintained by the Department, nor was it of any real value, for almost all of the so-called High schools were really of the same class as the elementary schools, and the main part of their work was carried on in accordance with schedules based closely on those of the English Code for elementary schools. It has, therefore, been thought better that the distinction should disappear from this report, and that the subject should be treated under the two main heads of "Vernacular Education" and "English Education," with additional sections on the special provision for higher education, the training of teachers, technical and industrial education, and the education of special classes, such as the estate cooly.

#### (B) VERNACULAR EDUCATION.

In 1903 there were 497 Government vernacular schools attended by 44,631 boys and 11,132 girls, and 1,273 aided vernacular schools attended by 76,619 boys and 37,707 girls. There is, therefore, a total of 1,770 vernacular schools attended by 121,250 boys and 48,839 girls. As compared with the previous year the number of schools has increased by 26, the number of boys of 5,134, and the number of girls by 1,823. The total sum spent by Government on vernacular education was Rs. 616,608.68, of which Rs. 230,855.88 was expended on Government schools and Rs. 385,782.80 on aided schools. In addition to the above there were 1,755 unaided schools (almost all of them vernacular) which furnished numerical returns to Government. In these 39,805 children were said to be receiving instruction, but the figures furnished by these schools are not always reliable.

The question whether the educational provision for Ceylon is sufficient was raised during the year in the Imperial Parliament. The answer is that, though the provision is not as yet sufficient, there has been and still is a very fair rate of progress. The total number of pupils attending schools of all classes in 1903 was 238,259, the increase on the previous year being 11,852. The deficiencies may be classified under three heads—

- (a) The education of girls.
- (b) The Colombo Municipality.

- (c) Certain rural districts, notably the Province of Uva and the North-Central Province, the Kurunegala District of the North-Western Province, the Mullaitivu District, and the inland portions of the Jaffna and Batticaloa Districts.

(a) The education of girls presents special difficulties in the East, and few Asiatic countries have accomplished so much as has been done in Ceylon. Many years must elapse before the whole island is ready for anything like a complete measure of compulsory female education.

(b) The Department of Public Instruction was in correspondence with the Colombo Municipality during the year 1903, and the Municipal Council have now applied to Government for powers to deal with the question of elementary education in Colombo.

(c) The country districts referred to consist for the most part of sparsely populated areas. In the North-Central Province, for example, a population of 79,110 persons is spread over 4,002 square miles. There are parts of these districts which can never be dealt with in a completely satisfactory way, and in most of them the only chance of efficient action is the establishment of a largely increased number of Government or Gansabhawa schools. The Gansabhawa schools, or schools carried on by the Village Council, have only recently been started; they are still in the experimental stage, and the experiment is being tried in two distinct forms—(1) In Tamankaduwa, an isolated but compact district of the North-Central Province, which was entirely unprovided with schools, the local authorities in 1899 tried the experiment of starting elementary schools of the cheapest possible form, supported by Gansabhawa funds and supervised by the native revenue officer of the district. A lump sum grant of Rs. 1,000 has been allowed annually to the district to be utilised by the revenue officer for the support of those schools, of which there are now twenty attended by 725 children. (2) In Uva and the North-Western Provinces the experiment is being tried in a different form. Schools have been established by the Gansabhwawas, which are to be registered as aided schools and examined for grant in the usual way. Seven of these schools have been started in the Province of Uva and one in the North-Western Province. They are more ambitious institutions than the schools of Tamankaduwa, being placed under certificated teachers, and worked in accordance with the Code for Aided Schools. It remains to be seen whether they can be permanently carried on by the aid of the Government grant, and whether, when managed in this way, they will really cost less than Government schools of the ordinary kind.

#### (c) ENGLISH SCHOOLS.

In 1903 there were 174 English schools attended by 22,611 pupils, of whom 18,795 were boys and 3,816 were girls. As

compared with 1902, these figures show an increase of twelve schools and 1,221 pupils. In the majority of these schools the work is confined to the schedules of the Code, but there are many in which the upper classes are prepared for the Cambridge Local Examinations, Senior and Junior, and a few in which the work of the most advanced students reaches a much higher level. In 1903 619 candidates entered for the Cambridge Local Examinations. For the Senior Local there were 190 candidates, of whom 170 were boys and 20 girls; of these, 89 boys and 15 girls succeeded in gaining certificates, 17 boys and 4 girls obtaining honours. For the Junior Local there were 429 candidates: 328 boys and 101 girls; certificates were obtained by 133 boys and 42 girls, honours by 12 boys and 2 girls.

The only Government institution devoted to higher education is the Royal College, at which in 1903 there were 313 pupils, with an average attendance of 284. The pupils in the upper part of the College are prepared for the Cambridge Local Examinations and for the special examination which is held for the English University Scholarship. The staff consists of seventeen masters, five of whom hold English University degrees. The gross cost to Government in 1903 was Rs. 43,249.98, of which the sum of Rs. 20,220 was recovered in school fees. The other institutions in which anything that can fairly be described as higher education is given are, with one exception, registered as aided schools under the Code. The one exception is the Jaffna College, which is supported entirely by the American Mission, and is affiliated as a first grade college to the Calcutta University.

The encouragement offered by Government takes two forms—(a) Grants, (b) Scholarships.

(a) In aided English schools grants for specific subjects as well as for work in the standards are paid on the results of the Government examination in each school. Liberal grants are also paid for every pupil who obtains honours in the Cambridge Local Examinations or who passes the London University Matriculation Examination or Intermediate Examination in Arts. The total sum expended in grants to English schools was Rs. 121,609.88.

(b) The English University Scholarship of £200 per annum for four years is awarded annually on the results of a special examination held for the purpose by the Oxford and Cambridge Joint Board for School Examinations. One scholarship of Rs. 240 per annum for three years is awarded annually to girls on the results of the Cambridge Senior Local Examination. On the results of the Cambridge Junior Local Examination one scholarship of Rs. 240 for three years and two of Rs. 120 for two years are awarded annually to boys, and two scholarships of Rs. 120 for three years are awarded annually to girls. The total sum expended in scholarships in 1903 was Rs. 15,117.01.

## (D) TRAINING OF TEACHERS.

In January, 1903, a Government Training College for English teachers was started. For many years previous to this there had been no provision for the training of English teachers either on the part of Government or on the part of the managers of aided schools. The new institution is specially intended to meet the wants of the aided English schools, in many of which the teaching has been of a very inferior order. Twelve studentships of the annual value of Rs. 300 each are provided by Government. Two small vernacular training schools which were carried on at Colombo and Kandy are now combined with the new Training College, which thus has a vernacular as well as an English department. An English boys' school and a vernacular boys' school are worked on the same premises, and serve as practising schools for the two departments. Training schools for vernacular teachers are also carried on by most of the Ceylon Missionary bodies. These receive a liberal grant under the Code for Aided Schools.

## (E) TECHNICAL AND INDUSTRIAL EDUCATION AND SCHOOL GARDENS.

Higher technical education is provided for by the Technical College, a Government institution established in 1893. In 1897 it was re-organised and its work largely extended. It is now the regular channel of admission for Ceylonese to the following Departments of Government: Public Works, Survey, Railway, Post and Telegraph. It contains departments of Civil Engineering, Mechanical Engineering, Electrical Engineering, Telegraphy, Surveying and Levelling. In 1903 the number of students was 172, and the gross cost to Government was Rs. 38,207.88, of which Rs. 6,656.46 was recovered in fees and by sale of stationery, instruments, &c. New buildings, including extensive laboratories, are in course of erection.

There are no Government industrial schools, but industrial education is supported by a liberal grant. In 1903 the aided industrial schools, which are 36 in number, received grants amounting to Rs. 51,573.29. The number of pupils was 2,025, and the trades taught were as follows:—Dressmaking 160, carpentry 260, printing 105, bookbinding 140, shoemaking 15, tailoring 116, blacksmiths' work 22, lace-making 788, embroidery 390, cooking 3, weaving 1, masonry 13, spinning 12.

The most important of these schools is the Maggona Certified Industrial School, which is utilised by Government as a reformatory, and carried on by the Roman Catholic Mission. This institution has an estate of about 300 acres and excellent buildings, to the cost of which Government has contributed. At the end of 1903 the number of juvenile offenders receiving instruction in it was 167. The trades taught were carpentry,

ironwork, masonry, printing, bookbinding, and tailoring. An allowance is paid by Government for the maintenance of each juvenile offender; this is not included in the amount specified above as the grants paid for industrial schools. The total cost of this institution to Government in 1903 was Rs. 21,609.26.

Good work is also done by some of the other industrial schools, but it is doubtful whether in the case of those which draw their pupils from rural districts real benefit ensues. In Ceylon, where 88 per cent. of the population is rural, the technical and industrial education required for the main part of the population is one which will fit them for rural and agricultural life. An attempt is being made to supply this by a scheme for school gardens which is being carried on in connection with Government schools. There are now 55 Government schools in which gardens are being carried on under this scheme. Seeds and implements are supplied by the Department, and the gardens are visited as often as possible by the Superintendent of School Gardens and his Assistant. It is hoped that in the future this scheme will be considerably extended.

Needlework in the girls' schools is a no less important matter, and this has been an extremely weak subject in all schools, Government as well as aided, which have not had the personal supervision of a lady manager. The defective work has been in a great measure due to the want of competent inspection. In 1903 Government decided to supply this by the appointment of an inspectress, who has since begun work.

#### (F) SCHOOLS FOR SPECIAL CLASSES.

##### *Estate Schools.*

Special facilities are offered by the Code for the registration of estate schools with grants on a very liberal scale. Little advantage, however, has hitherto been taken of these offers. In 1903, for instance, there were only 43 estate schools attended by 1,765 children, and attention was drawn in the House of Commons to the want of educational provision for this class. There are two main causes for the fact that comparatively little has been done by voluntary effort:—

- (1) The Government Code prescribed a session of three hours, and this necessitated the curtailment of the children's daily work as tea pluckers.
- (2) There is an undefined but very real feeling that education will prevent the children following the vocation of their parents.

An attempt has been made to meet the first objection by limiting the session to two hours in the case of children over eleven years. The second is a more serious objection, and deserves every consideration. It is unfortunately true that in

many countries education has tended to draw away children from the rural and agricultural pursuits of their parents. It is not merely that the knowledge gained at school suggests the possibility of other vocations; a more serious matter is that school work as usually organised causes too complete a withdrawal from that hardy open air life to which the agriculturist ought to be habituated from childhood. The remedy doubtless lies in properly adapting the work and hours of the school to the wants of the class for which it is intended. An attempt will be made to do this, but joint action between Government and the Planters' Association is necessary if there is to be any satisfactory solution of the difficulty. The attention of the latter body has been directed to the question by the Governor, and a systematic attempt to investigate it is now being made.

## V.—GOVERNMENT INSTITUTIONS.

### (A) HOSPITALS.

The most noteworthy event of the year was the laying of the foundation stone by Lady Ridgeway in August of the new Colombo Eye Hospital, which is to commemorate the reign of Queen Victoria. The hospital, which it is expected will be completed in 1904, will be a handsome structure situated on a commanding site, and will contain forty-four beds, with special provision for children. The ample accommodation thus afforded should render it possible to get acute cases into hospital at an early stage, and thus save the eyesight of many. The hospital will also provide excellent material for demonstrating eye diseases to medical students by well-qualified lecturers. The cost, approximately estimated at Rs. 200,000, is being defrayed partly by voluntary contributions and partly from revenue.

During the year 1903 66 hospitals and asylums were in operation. In the 32 civil and lying-in home hospitals there were 40,553 cases treated, with 3,433 deaths, being 3,420 cases and 265 deaths less than in the previous year. The daily average sick was 1,553·53, against 1,652·51 in the previous year. In the eight field hospitals there were 4,105 cases treated with 129 deaths, against 4,426 treated and 171 deaths during the previous year. The number treated in the four immigrant hospitals was 1,318, against 1,855 in 1902. Of the total treated, the deaths numbered 63, against 84 in the previous year. In the 20 district hospitals 13,081 cases were treated, against 14,928 in 1902. There were 1,859 deaths, against 2,510 in the preceding year.

#### *General Hospital, Colombo.*

The total number of patients treated at this institution during the year was 14,606 with 1,138 deaths, against 16,035 cases

and 1,101 deaths in the previous year. The daily average sick was 486·82, and the percentage of deaths to total treated was 7·79.

The institution consists of twenty-five wards and eight solitary rooms, and the number of beds is 425. An administration block with quarters for the Medical and Nursing Staff is in course of construction, and will, when completed, enhance to a considerable extent the usefulness of the institution. In the paying section which consists of twenty wards with forty-four beds, the total number of patients treated during 1903 was 523 with 55 deaths, against 577 cases and 41 deaths in 1902. The daily average sick was 26·34, against 27·61 in 1902; and the percentage of deaths to total treated was 10·51, against 7·11 in 1902.

#### *De Soysa Lying-in Home.*

The popularity of the home is daily increasing, especially with the Mohammedan patients.

Twenty-three pupil midwives received training in the Lying-in Home in 1903, of whom 17 obtained certificates after passing a satisfactory examination. A new scheme to train selected pupils from all provinces has been adopted, and it is hoped that it will supply a long-felt want by the speedy introduction of European midwifery into the villages.

#### *Lady Havelock Hospital (for Women and Children).*

In this hospital 1,137 patients were treated, against 1,072 in 1902.

#### *Grenier Eye, Ear, and Throat Infirmary.*

At this institution 6,602 cases were treated during the year, against 4,927 in the previous year.

#### *Kanatta Infectious Diseases Hospital.*

Eleven cases of infectious diseases remained from the previous year and there were 316 admissions, making a total of 327. Of these, 303 were discharged cured, 4 died, and 20 remained. The death-rate was 2·30 per cent., against 8·77 per cent., in 1902.

#### (B) MEDICAL INSTITUTIONS.

The De Soysa Bacteriological Institute has been placed in charge of Dr. Aldo Castellani, M.D. (Florence), who was employed on the Sleeping Sickness Commission of the Royal Society and Foreign Office in Uganda in the years 1902 and 1903.

*Medical College.*

The college contains lecture halls, laboratories for chemical physiology, biology, and pathology, dissecting room, offices, photographic rooms, a Museum and Colonial Medical Library, and a separate building for lady students. A professor of chemistry is being obtained for the college from England. There were 96 medical and 32 apothecary students at the end of the year.

## (c) ASYLUMS.

*Lunatic Asylum, Colombo.*

At the beginning of the year there remained 316 males and 167 females, total 483 cases. During 1903 151 cases (103 males and 48 females) were admitted, the total number under treatment being 634 (419 males and 215 females). Of these, 49 males and 26 females, 75 in all, were discharged, and 39 males and 12 females, 51 in all, died. The daily average was 488·37 (males 317·34, females 171·03), an increase of 6·92 as compared with the previous maximum average. This increase affects only the male division, which was already overcrowded. There was one case of accidental injury to a patient by an attendant, another case of serious injury by a patient to another patient; other cases of injury have been rather unusually numerous, some being accidental in origin and others being due to the action of fellow-patients. No case of suicide occurred during the year.

## (d) POOR HOUSES.

There are no poor-houses. In Colombo and in most of the other large towns there are Friend-in-Need Societies, to which grants are made by Government, and from these, supplemented by private subscriptions, much distress is relieved. In country districts relief is afforded by means of a limited grant made by Government and administered by the revenue officers. The amount contributed by Government for the relief of the poor, when compared with the population and revenue of the island, is, however, insignificant. It is highly creditable to the people that among a poor population, many of whom are living on the verge of want, it has not been necessary to provide poor-houses; the claims of humanity are so widely recognized, and so freely met, that the pauper can always obtain shelter and a meal.

## (e) REFORMATORIES.

The only reformatory is that at Maggona. The institution stands on extensive grounds given by Government to the Roman Catholic Mission, but is open to all youthful offenders irrespective of religion. The average period of detention is about two years, eighteen years being the limit of age till which they are detained. The boys are under a large resident staff, including European Brothers, who supervise the industrial

work. The efficiency of the institution is highly commended by the Director of Public Instruction, and it is satisfactory to note that only three of those who left the institution during the four years 1898 to 1902 have been again convicted in the courts. An extension of the building has recently been sanctioned, and there will shortly be accommodation for over 200 boys.

#### (F) SAVINGS BANKS.

There are two Savings Banks under Government control.

The Ceylon Savings Bank had a prosperous year. The amount to the credit of depositors (who numbered 30,840, as against 29,846 in 1902) increased from Rs. 4,173,543 at the end of 1902 to Rs. 4,309,827 at the end of 1903. The bank pays interest on deposits at rates of 3 and 4 per cent., and has a reserve fund of over Rs. 500,000.

The Post Office Savings Bank is in a satisfactory condition, and the number of depositors continues to increase. At the end of 1903 the number of depositors with open accounts was 58,121, or, estimating the population at the same time at 3,600,000, one depositor to every 62 persons. This compares very favourably with India, where there is only one depositor to every 369 persons, though, as might be expected, it is a very long way behind the remarkable figures of the United Kingdom, where one out of every 4 persons is a savings bank depositor. The total funds to the credit of depositors was on 31st December, 1903, Rs. 1,605,041, as against Rs. 1,454,858 on 31st December, 1902.

### VI.—JUDICIAL STATISTICS.

#### (A) POLICE.

1. The authorized strength of the Police Department on the 31st December, 1903, was 1 Inspector-General, 4 Superintendents, 7 Assistant Superintendents, 27 Inspectors, 10 Sergeant-Majors, 16 European sergeants, 18 European constables, 203 native sergeants, 1,444 native constables, 26 Government clerks, 34 policemen clerks, 1 registrar of servants, 1 storekeeper, 10 coolies, and 1 apothecary.

2. In October, 1903, an Assistant Superintendent, additional to the existing staff, was appointed for special duty as chief of a Criminal Investigation Department. The duties assigned to him are to help all divisions in cases of serious crime which baffle, or threaten to baffle, the local police. All cases of serious crime are reported to him by telegram. He is directed to keep himself acquainted with the nature of the investigations being carried out in the various provinces and divisions, and, when he considers it necessary, to send an experienced detective to help the local police. In the more difficult and serious cases he proceeds himself to the locality.

3. The total cost of the Ceylon police for the year 1903 was Rs. 753,312, as against Rs. 738,014 in 1902.

4. During the year 274 recruits were enlisted. The demand, however, is far greater than the supply; during the year the force was never up to its full strength, and on the 31st December there were 53 men short. Much attention was paid to the training and instruction of the recruit. All recruits are now kept in the training school for a period of at least four months prior to joining the ranks for duty. Each man does four hours' study, lectures, catechism, &c., daily, with two hours' gymnastics and two hours' drill.

#### (B) PRISONS.

1. There was some increase in the total number of admissions of convicted prisoners to the prisons in Ceylon during the year, the increase being in prisoners with short sentences. Excluding Road Ordinance defaulters, the totals of admissions of convicted prisoners to the prisons for the last ten years have been as follows:—

Year.					Number.
1894	...	...	...	...	6,141
1895	...	...	...	...	5,498
1896	...	...	...	...	5,288
1897	...	...	...	...	7,001
1898	...	...	...	...	7,051
1899	...	...	...	...	6,158
1900	...	...	...	...	6,000
1901	...	...	...	...	6,581
1902	...	...	...	...	6,369
1903	...	...	...	...	6,905

The admissions of defaulters under the Road Ordinance, who complete the prison population of convicted prisoners, have been as follows:—

Year.					Number.
1894	...	...	...	...	826
1895	...	...	...	...	744
1896	...	...	...	...	648
1897	...	...	...	...	500
1898	...	...	...	...	379
1899	...	...	...	...	329
1900	...	...	...	...	260
1901	...	...	...	...	354
1902	...	...	...	...	237
1903	...	...	...	...	344

The increase in 1903 is due to a large number of admissions in Kandy.

2. Of the total admissions of convicted prisoners to prisons, the following figures give those from the Superior Courts:—

Year.					Number.
1894	...	...	...	...	859
1895	...	...	...	...	614
1896	...	...	...	...	854
1897	...	...	...	...	1,155
1898	...	...	...	...	1,138
1899	...	...	...	...	731
1900	...	...	...	...	939
1901	...	...	...	...	1,114
1902	...	...	...	...	879
1903	...	...	...	...	923

There has therefore been an increase over last year of those convicted for serious offences of 44.

3. There is, however, a decrease in convictions for murder and manslaughter of 11. The numbers for the last ten years are as follows:—

Year.					Number.
1894	...	...	...	...	82
1895	...	...	...	...	75
1896	...	...	...	...	62
1897	...	...	...	...	88
1898	...	...	...	...	58
1899	...	...	...	...	71
1900	...	...	...	...	82
1901	...	...	...	...	101
1902	...	...	...	...	81
1903	...	...	...	...	70

4. The number of men sentenced to death and of those whose capital sentences were carried out are as follows:—

Year.					Sentenced to Death.	Hanged.
1894	...	...	...	...	43	23
1895	...	...	...	...	26	22
1896	...	...	...	...	37	25
1897	...	...	...	...	40	20
1898	...	...	...	...	28	19
1899	...	...	...	...	27	21
1900	...	...	...	...	51	32
1901	...	...	...	...	47	37
1902	...	...	...	...	43	30
1903	...	...	...	...	36	22

There has, therefore, been a very satisfactory decrease under this head, but the numbers are still large. The offenders do not, as has been repeatedly pointed out, belong to the habitual criminal class. They are, as a rule, men without previous convictions, who have up to the time of the crime led a comparatively blameless life. The offence is not generally committed with the deliberation of the hardened criminal but in the heat of passion or under the influence of liquor, and even the death penalty appears to have no deterrent effect. Murders in Ceylon are not committed in towns so much as in villages, *i.e.*, among the uneducated.

5. The following table gives the number of escapes from the prisons and recaptures during the past ten years:—

Year.			Escapes.	Recaptures.
1894	...	...	5	6
1895	...	...	11	13
1896	...	...	9	8
1897	...	...	13	12
1898	...	...	10	10
1899	...	...	8	8
1900	...	...	1	1
1901	...	...	2	2
1902	...	...	81	75
1903	...	...	2	5

There were two escapes and five recaptures during the year. The two prisoners that escaped were both recaptured. The remaining recaptures were of three of the 79 prisoners that escaped from Mahara on the 28th June, 1902. Of the two escapes, one prisoner escaped from the escort at Bandarawela, while he was being transferred from Badulla to Kandy. The other was a female prisoner that escaped from the Tangalla jail. On the usual inquiry being held, it transpired that the prisoner escaped with the connivance of the matron in charge. Both the matron and the prisoner were prosecuted, and were sentenced to three and one months' rigorous imprisonment respectively.

6. The daily average of convicted prisoners in jail was 2,459, as against 2,404 in 1902.

7. The total number of deaths (87) is much less than that of last year (125). The average daily sick rate also shows an encouraging decrease, being 132 as compared with 156 in 1902 and 152 in 1901.

8. The number of punishments has increased from 3,938 in 1902 to 4,353 in 1903, but it is satisfactory to note that with an increased number of admissions and daily average the number

of prisoners punished has fallen from 3,356 to 3,286, a decrease of 70. This appears to show that there have been repetitions of offences by the same prisoners. Corporal punishments have decreased, being 178 in 1903, as against 200 in 1902.

9. As in 1902, no resident European was convicted during the year; 30 non-resident Europeans were convicted, as against 47 in the previous year. The majority of these were sailors, who were imprisoned on charges of disobeying lawful commands and refusing to work.

10. The cost of maintaining each prisoner was Rs. 189, as compared with Rs. 191 in 1902.

### (c) CRIMINAL STATISTICS.

#### I.—*From Returns furnished by the Inspector-General of Police.*

There were 16,769 true cases of cognizable offences committed in 1903, with 11,492 convictions or commitments to higher courts, as against 17,374 true cases with 12,229 convictions or commitments in 1902, or a decrease of 605 cases. The true cases and results for the last five years have been:—

	Year.	True cases.	Convictions or Commitments.
	1899 ... ..	14,434	10,173
	1900 ... ..	17,703	12,990
	1901 ... ..	17,609	12,793
	1902 ... ..	17,374	12,229
	1903 ... ..	16,769	11,492

2. Of the 16,769 cases in 1903, 12,063 cases were under "Other Offences," in which are included all statutory offences, breaches of Municipal and other by-laws, and minor offences; and 4,706 cases for offences which may be regarded as real crime.

3. The following table shows the fluctuations of serious crime for the past five years:—

—	1899.	1900.	1901.	1902.	1903.
Murder and homicide ...	125	146	160	146	134
Rape ... ..	39	32	36	22	31
Robbery ... ..	269	289	382	326	294
Burglary ... ..	977	1,245	1,384	1,433	1,481
Grievous hurt ... ..	371	391	441	447	436
Theft of cattle and prædial products.	885	1,119	1,127	1,185	1,215
Arson ... ..	145	98	148	156	206
Riot ... ..	14	3	10	16	21

4. In 1903 146 cases were sent to the District Court and 16 cases to the Supreme Court under the Habitual Criminals Ordinance, showing a decrease of 48 and 12 cases, respectively, as compared with 1902.

5. Of the 134 cases of murder and homicide, 103 cases were committed for trial, of which 91 cases were sent to the Supreme Court. In 58 cases the accused were convicted, and 36 persons were sentenced to be hanged, of whom 22 were executed.

6. In 57 of the murder cases a knife or other cutting instrument was used, compared with 60 in 1902. In 36 cases clubs were used, and in 19 cases the victims were shot as compared with 30 cases in 1902. The decrease in the number of shooting cases is a satisfactory feature of the year's returns.

7. With regard to other special offences, robberies decreased during 1903 by 32 cases. There was also a decrease in the cases of grievous hurt.

8. House-breaking cases by night show a further increase. There were 1,433 cases in 1902 and in 1903 1,481 cases. There were 157 convictions, or 10·6 per cent. of cases. Many of these cases, though technically house-breaking, can hardly be considered so. They consist of entering second-class houses and small huts, which have no real protection, situated in secluded gardens and far away from the road, and taking of small articles of value.

9. Thefts of cattle and prædial produce also show an increase from 1,185 in 1902 to 1,215 in 1903. Of the latter, 1,165 cases were of cattle and 50 of prædial produce. There were 256 convictions in the former and 22 in the latter.

10. As regards minor offences, there were 12,063 cases with 9,800 convictions. Under Ordinance No. 3 of 1897 (Prevention of Plague) there were 233 prosecutions, resulting in 202 convictions.

11. There was an increase of crime in the Western, Eastern, North-Western, North-Central, and Sabaragamuwa Provinces, and a decrease in the Central, Northern, Southern, and Uva Provinces.

12. It was found necessary to quarter punitive police in three villages in the Western Province in consequence of repeated attempts being made to derail the trains on the new Kelani Valley Railway. The tax was recovered without difficulty.

13. The riot which occurred in Anuradhapura in June, 1903, is referred to elsewhere (*vide* section XI. (A)).

## II.—*From Returns furnished by the Solicitor-General.*

The number of cases instituted in the Police Courts and Municipal Magistrates' Courts was 72,408, in which 79,569

persons were charged, 43,296 being acquitted summarily, 33,693 convicted, and 2,580 committed before a higher court.

2. Of 2,075 committals before the Superior Courts, 1,138 resulted in a verdict for the Crown and 937 in favour of the accused. The number of committals in 1902 was 2,097, of which 1,090 ended in favour of the Crown.

3. In murder cases there were 45 convictions to 55 acquittals; homicides resulted in 29 convictions to 23 acquittals.

4. In the Police Courts 72,408 cases were instituted, against 74,049 in 1902, the convictions being 30,123 against 38,160.

5. The number of convictions in the Superior Courts fell from 1,090 to 986.

6. The "Gansabhawas," i.e., Village Tribunals for the disposal of petty cases between natives, did useful work as usual.

## VII.—VITAL STATISTICS.

### (A) POPULATION.

The population enumerated at the last Census (1st March, 1901) was 3,565,954. The natural increase by excess of births over deaths from that date to the end of the year 1903 amounted to 123,518, while the number of Indian immigrants exceeded the number of emigrants by 51,090. The population estimated to the end of 1903 was accordingly 3,740,562, an increase compared with the population at the end of the preceding year of 67,674 persons, and equal to a rate of 1·8 per cent. These figures do not include the military, the shipping, and the prisoners of war, who at the last Census numbered 12,379.

### *Birth and Death Rates.*

The births registered during the year numbered 148,027, and were in the proportion of 40·0 per 1,000 persons living. The registered deaths numbered 96,084, equivalent to a rate of 25·9 per 1,000 of the population. Compared with 1902, the birth-rate shows an increase of 1·5 per mille and the death-rate a decrease of 1·6 per mille. Compared with the average rates for the five years 1898-1902, the birth-rate shows an increase of 1·6 per mille and the death-rate a decrease of 2·3 per mille.

### (B) PUBLIC HEALTH.

The public health was good. There were very few outbreaks of epidemic disease, and the numbers attacked for each of the more serious infectious diseases have been less than in 1902

(with the exception of enteric fever). The following table shows the actual extent of these diseases in the two years:—

	1902.		1903.	
	Cases.	Deaths.	Cases.	Deaths.
Cholera ... ..	179	116	46	23
Small-pox ... ..	146	35	29	5
Malaria ... ..	6,513	115	4,766	108
Enteric Fever ... ..	243	63	358	71

With reference to the increase in the number of enteric fever cases, it must be remembered that the notification of these cases is becoming more general, and bacteriological aid in diagnosis is more used by medical practitioners. The prevalence of enteric may be put down to contaminated water, for as long as cesspits and wells in close proximity to them exist cases must be numerous.

It is satisfactory to note the small number of cases of cholera. This comparative freedom may be attributed to the closure of the North Road cooly route and to the quarantining of coolies at Ragama.

There has also been a marked falling off in the admissions in the hospitals for malaria, but the deaths from this disease are  $\frac{1}{2}$  per cent. higher for 1903 than the year previous.

#### *Small-pox.*

There were 29 cases of small-pox, with 5 deaths. In almost every outbreak the infection was traced to recent arrivals in the island.

#### *Chicken-pox.*

There were 1,862 cases with four deaths. Most of these cases were treated in their own homes.

#### *Measles.*

This disease did not assume any alarming proportions in any of the towns or villages.

#### *Dysentery.*

This disease was fairly equally distributed throughout the island, but was most prevalent in the Western, Sabaragamuwa, and Central Provinces. The total number of cases treated in all hospitals was 2,384, with 658 deaths. The largest number treated in any one institution was in the General Hospital,

Colombo, where 505 cases were admitted, of whom 83 died. There were 636 cases treated in the various jails throughout the island.

### *Leprosy.*

The total number of cases reported during the year was 589, against 560 in 1902, being an increase of 29 cases. The number of lepers treated at ordinary hospitals and dispensaries was 111, as against 148 in 1902. 447 cases were treated in the Leper Asylum at Hendala, and 31 in the Kalmunai Leper Wards.

An enactment was passed in 1901 to provide for the segregation and treatment of lepers, in view of the recommendations of the Berlin Conference of 1897, at which conclusive evidence was adduced in support of the theory that the disease is communicable. The Ordinance has now been in operation for nearly two years, and has worked smoothly, but it will necessitate the provision of more accommodation in the leper asylums. The number of lepers in Ceylon is comparatively insignificant, but the Principal Civil Medical Officer estimates that the total number of cases is about 120 in excess of the existing provision. Additional accommodation must therefore be provided, but when all the cases have been segregated no further spread of the disease should be possible. There are 207 known lepers throughout the island whose names and addresses are registered, and who are periodically examined. They are in the non-contagious stage of the disease, and there is no room at present for them in the leper institutions. The acquisition of more land for building and burial purposes has recently been effected.

### *Anchylostomiasis.*

This disease is constantly introduced from India by Malabar coolies, and is spread owing to their careless habits. The disease is on the increase. There were 1,775 admissions in all hospitals, with 272 deaths. The largest number was treated in the General Hospital, Colombo, viz., 756 admissions, with 38 deaths. A large number of cases occurs in the planting districts. The danger of the disease exists in the profound anæmia, which so lowers the vitality that the victim is carried off by practically any intercurrent complaint. A part at least of the increase in the reported cases is probably due to the fact that the disease is recognized more readily now.

### *Parangi.*

From the hospital returns it would appear that the number of admissions for this disease has steadily increased during the last five years, but not in proportion to the increase of the population, so that the numbers affected in ratio to the inhabitants is becoming less every year. As food becomes more

easily obtainable with the extension of irrigation, and as sanitary methods become more generally known, this disease will, it may confidently be predicted, show a marked decrease. The death-rate is remarkably small: out of 3,254 admissions for this disease during the year there were only 11 deaths.

### *Plague.*

The same precautions against plague were continued during the year as have been taken for several years past. The Plague Committee held fortnightly meetings. Plague hospitals at remote stations are not now kept up, but sites are ready and building materials at hand in case of necessity. On 5th March, 1903, a case of plague was landed from ss. "Maria Valerie" at the Galle Plague Hospital; the patient was discharged cured on 29th April, 1903. The contacts were segregated and placed in quarantine for the full period of ten days.

### (c) SANITATION.

#### *General Sanitary Condition of the Colony and of the Chief Towns.*

The general sanitary condition of the island remains in much the same condition as last year. The same methods of disposal of dust and fœcal matter exist, and, though by no means satisfactory, are still very fair when compared with other tropical countries. The importance of a pure water supply is increasingly recognized by local bodies.

#### *Colombo.*

This city has had its sanitary staff considerably augmented recently. There are two specially qualified Medical Officers of Health with a staff of Inspectors in the employment of the Municipality. The disposal of sewage is the same as it has been for some years past, viz., the collection of solid matter for burial at various depôts and the continuance of cess-pits, but the latter are being gradually filled up and closed. Colombo has contributed the largest number of cases of enteric fever, and in most cases the origin of the disease has been traced to contaminated water or milk.

Good progress was made with the preliminary operations in connection with Mr. Mansergh's drainage scheme. The scheme provides for a water carriage system for the sewage of the more densely populated part of Colombo, but it is being carried out so that it may, if necessary, be extended to the whole city. The works now under construction will probably take some five years to complete, and will cost over three millions of rupees.

A great advance was made in 1903 in the direction of providing Colombo with an ample water supply. The duplication of the main from Labugama was completed, and a continuous supply is now available throughout the whole twenty-four hours. When the new reservoir in the north of the city is finished—probably early in 1905—the reservoir capacity of Colombo will be 15,000,000 gallons, or  $5\frac{1}{2}$  days' supply. At Labugama, the feeder reservoir,  $25\frac{1}{4}$  miles from Colombo, there is a year's supply.

### *Kandy.*

The general sanitary state of Kandy leaves considerable room for improvement. Several cases of enteric fever occurred in the town from insanitary causes. The drainage is imperfect. An improved scheme is under consideration, but the cost is at present an insuperable obstacle. The water supply is sufficient and of good quality. The conservancy of the town has been improved, but several cesspits remain. Alleys are ill-ventilated, insanitary, and overcrowded.

### *Jaffna.*

Jaffna, with 33,879 inhabitants, but no Local Board or Municipality, is the only town in the Northern Province where sanitation is carried on to some extent, and even here much improvement is required. Water for all purposes is obtained chiefly from wells, the majority of which, however, contain hard brackish water unfit for drinking. A special water supply scheme has recently been investigated by a Public Works Department officer, and is now under consideration.

Galle is in a fairly sanitary condition. The fort especially shows considerable improvement since the closing of cesspits and the introduction of the dry-earth system in private houses. In the other divisions of the Municipality much remains to be done, and the water supply of the town is very defective.

### *Batticaloa.*

The sanitary condition of Batticaloa is fairly satisfactory, but there is ample room for improvement. A better system of drainage is required, but owing to the flatness of the land this is a matter of some difficulty. The water supply, which is drawn from wells, is plentiful, but in the dry season is apt to fail.

### *Kurunegala.*

The sanitary condition is not satisfactory. A drainage scheme and public markets are, however, to be taken in hand by the Local Board shortly, and an improved water supply is being investigated.

Anuradhapura, the principal town of the North-Central Province, formerly had a reputation for unhealthiness, but of recent years, owing to improved sanitary measures, the health of the inhabitants has greatly improved.

#### *Badulla.*

The water service is satisfactory, but the drainage is defective. Scavenging is satisfactorily done, but public latrine accommodation is deficient.

#### *Ratnapura.*

The sanitary condition is not satisfactory, but the water supply is reported to be good.

### (D) CLIMATE.

The climate varies very considerably in different parts of the island, both as regards temperature and rainfall. In the lowlands the climate is tropical, but in the mountains in the interior the climate all the year round may be said to correspond to the spring of Southern Europe.

#### *Temperature.*

The records kept by the Meteorological Department of the Surveyor-General's Office show that the temperature has varied from 3° below freezing point at Nuwara Eliya to 103·7° at Trincomalee. In 1903 the extremes were 32° at Nuwara Eliya on March 23, and 99·4° at Anuradhapura on April 24.

The mean temperature of Colombo is 80·7°, and the most noticeable feature of the climate is the permanent humidity of the atmosphere. On the other hand, the mean daily range of temperature is comparatively small (12° in 1903), and in this respect Colombo compares very favourably with Madras, Bombay, and Calcutta. The absolute highest and lowest temperatures in 1903 were 94° on March 14, and 68·5° on February 1 and 2, while the mean for the year was 81·3°.

#### *Rainfall.*

The variations of rainfall are even more remarkable than those of the temperature, the official records ranging from 20·42 inches at Mannar in 1892 to 301·40 inches at Nawalapitiya in 1891. For 1903 the maximum and minimum were 188·72 inches at Digolla, Avisawella, and 41·80 at Hambantota.

The severity of an up-country rainstorm in Ceylon may be gauged from the fact that 18½ inches have been recorded in twenty-four hours (at St. Martin's, Rangalla, on December 14 and 15, 1896). The heaviest downpour in twenty-four hours in 1903 was 11·53 inches at Haputale on 3rd and 4th December.

### *Direction and Velocity of Wind.*

The general direction of the wind is from north-east from November to March and from the south-west from April to October. The average velocity, during the last thirty-five years, of the north-east monsoon has been 196·9 miles, and of the south-west 181·7 miles. In 1903 the figures were 214·4 and 174·7 miles respectively.

### *Abnormal Phenomena.*

On September 1 and 2, 1903, a linear storm occurred from west-south-west and lasted five hours, during which the wind attained the unprecedented velocity of 50 miles per hour.

A hailstorm, with stones the size of the proverbial marbles, occurred at Kandy on Good Friday, April 10, and another at Ohiya (6,500 ft. above sea level) lasting 15 minutes on September 4.

A fine waterspout was observed at Kayts (Northern Province) travelling from north-west on the 3rd July.

## VIII.—POST AND TELEGRAPHS.

The expansion in every branch of the Ceylon Post and Telegraph Department during the last seven years has been remarkable. The weight of mails has doubled; the number of parcels transmitted has increased 60 per cent. Money orders have risen 90 per cent. in number and 70 per cent. in value; the number of savings bank accounts has increased 80 per cent., and the amount to the credit of depositors 73 per cent., while in the number of telegrams despatched there has been an extraordinary advance of 168 per cent.

As regards 1903, there was a small deficit of Rs. 13,707 on the year's working. The revenue figures, however, do not include the value of work done free for other Government Departments, which is estimated at Rs. 247,250.

### *Letters, &c., dealt with.*

The number of letters passing between Ceylon and India and the telegrams received from other countries fell during the

year. With these exceptions there was an increase in every direction, the features being the large numbers of post cards passing through the post—pictorial sent abroad, and advertisements received from India—and the telegrams despatched abroad. The reduction of the rates to Europe from 4s. 2d. to 2s. 7d. per word and to Australia from 4s. 10d. to 2s. 7d. gave an immediate impetus to the telegrams.

### *Money Orders.*

The exchange with the United Kingdom is stationary. There was a slight decrease in the amount remitted to British Colonies, chiefly to Australia, this being due to the action of the Australian Government in prohibiting race lottery transactions by means of the Postal Service. The money order business with India increased considerably, a total of Rs. 3,692,792 being sent from Ceylon to India. The greater portion of this sum represents the savings of Tamil immigrants, while Rs. 349,179 was the amount collected from the recipients of value-payable parcels and remitted to the senders in India. Included in the total sum remitted is a total of Rs. 1,284,129 sent by telegraph.

### *Post Office Savings Bank.*

Deposits increased by 2,166 in number and Rs. 23,155 in amount, and withdrawals by 1,071 in number and Rs. 29,170 in amount. The total sum held to the credit of depositors rose from Rs. 1,454,858 to Rs. 1,597,616, and the amount of investments, which are entirely in Ceylon, India, and Colonial Government securities, rose to Rs. 1,682,272.

### *Telegraph and Telephone.*

*Telegraphs.*—Thirty-nine miles of new wire were erected for Postal Service and 54 miles for Railway Service during the year.

*Telephones.*—Forty-six miles of telephone wire were added during the year; there were 20 new subscribers, and 22 additional instruments, while the number of calls on the exchange increased from 109,465 in 1902 to 161,313 in 1903, or at the rate of nearly 68 per cent.

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# IX.—MILITARY STATISTICS.

## (A) MILITARY EXPENDITURE.

The Military Expenditure during the year was as follows:—

	Amount.	
	Rs.	c.
Colonial Contribution for Regular Troops* ... ..	1,912,109	23
For Volunteer Regiment ... ..	223,627	63
Compensation in lieu of exemption from payment of Customs Duties on articles imported for the Troops ...	25,000	0
Cost of erecting certain buildings for the Military† ...	16,500	0
Expenses connected with the Fortifications of Colombo...	37,112	80
Total ... ..	2,214,349	66

\* This contribution is assessed at nine and a half per cent. of the Colonial revenues, the revenues being defined for this purpose as including the *net* receipts of the Government Railway but excluding the proceeds of land sales and *præmia* on leases or land grants. Ordinance No. 2 of 1898 provides that "in no year shall the sum paid by way of percentage exceed three-fourths of this cost of the garrison for that year."

† In addition to the contribution referred to in the previous note, the Colony provides "any capital expenditure required for military lands and buildings outside Trincomalee," such sums being voted by the Legislative Council with the usual estimates.

Government has agreed to place a sum of £8,000 at the disposal of the military authorities towards a sanitarium, and a new residence for the General Officer Commanding at Nuwara Eliya. It has also contributed £1,750 towards the formation of a musketry camp at Diyatalawa and towards the construction of a new rifle range there, which will be also available for the volunteers during the camp of exercise.

## (B) VOLUNTEER FORCE.

The expenditure on the volunteers was Rs. 223,627. Seven years ago it was only Rs. 106,309.

The following table shows the growth of the force during the last five years:—

Strength on 31st December.	Number.
1899 ... ..	1,250
1900 ... ..	1,302
1901 ... ..	1,975
1902 ... ..	2,170
1903 ... ..	2,174

In addition to the above, a cadet battalion of the Ceylon Light Infantry was raised in 1902, which on 31st December of that year numbered 362, and on 31st December, 1903, stood at 418.

The annual camp of exercise was in 1903 held for the first time at Diyatalawa, where during the years 1900-1902 more than 4,500 Boer prisoners of war were interned. The place possesses exceptional natural advantages: the climate is cool and healthy, and the country one on which practical instruction on manœuvring can readily be imparted. No fewer than 1,434 volunteers attended camp, and with the cordial co-operation of the military authorities a very instructive fortnight was passed.

## X.—PUBLIC WORKS.

### (A) PUBLIC WORKS DEPARTMENT.

The total expenditure of the Public Works Department during the year under review was Rs. 5,319,241·77, classified as follows:—

— —					Amount.	
					Rs.	c.
Personal Emoluments	...	...	...	...	463,488	62
Annually Recurrent Works	...	...	...	...	2,240,085	99
Extraordinary Public Works	...	...	...	...	1,339,699	31
Chargeable to Loans and other Funds	...	...	...	...	1,275,967	85
Total	...	...	...	...	5,319,241	77

The following tabular statement shows the expenditure on Annually Recurrent Works, Extraordinary Public Works, and those chargeable to loans and other funds during the years 1896 to 1903, inclusive:—

Year.			Recurrent.	Extraor- dinary.	Miscel- laneous, including Loans.	Total.
			Rs.	Rs.	Rs.	Rs.
1896	...	...	1,823,558	1,219,106	—	3,042,664
1897	...	...	1,726,669	1,838,650	—	3,565,319
1898	...	...	1,900,307	1,510,143	369,324	3,779,774
1899	...	...	2,040,684	1,707,119	1,250,125	4,997,928
1900	...	...	2,029,279	1,610,261	1,074,665	4,714,205
1901	...	...	2,112,905	1,348,032	666,028	4,126,965
1902	...	...	2,163,394	1,448,491	572,143	4,184,028
1903	...	...	2,240,085	1,339,699	1,275,967	4,855,751

The mileage of roads in the Colony was increased during the year by 13 miles and now stands at 3,660·31, divided as follows:—

	Miles.
<b>Metalled</b> ... ..	<b>2,357·14</b>
<b>Track metalled</b> ... ..	<b>288·90</b>
<b>Gravelled</b> ... ..	<b>646·02</b>
<b>Natural tracks and bridle paths</b> ... ..	<b>368·25</b>

Special attention is being paid at the present time to “feeder roads” for the new (*i.e.*, Northern and Kelani Valley) railways. A special officer has been deputed for the duty of supervising this important work in the North-Western Province, where the roads are most urgently needed; unfortunately progress is retarded by the scarcity of labour.

Among the important works under construction by the Public Works Department in 1903 were a new reservoir for Colombo, the Victoria Eye Hospital, and the Technical College.

#### (B) COLOMBO HARBOUR WORKS.

The Colombo Harbour Extension Works made good progress. The amount spent during the year was nearly Rs. 3,000,000, bringing the total expenditure on the present works up to Rs. 13,426,575, the grand total expenditure since the commencement of the south-west breakwater in 1873 being Rs. 31,042,771.

The new breakwaters are now far advanced towards completion, and it became necessary in 1903 to decide the question of the width of the entrance to the harbour between the old or south-west breakwater and the island or north-west breakwater. After full consideration the width was fixed at 800 feet with the concurrence of the Consulting Engineers, the Admiral, and the Harbour Board. No narrower entrance appears to be convenient for navigation, but it is considered that a width of 800 feet will be sufficient for the largest steamers to enter the harbour.

It is anticipated that the new graving dock will be open in 1906. The original estimate of cost was Rs. 5,218,380, and the Admiralty and the Colony agreed to provide this amount in equal shares. Subsequently, however, it was decided to increase the length of the dock from 500 to 700 feet, and as the Admiralty were unable to increase their contribution the whole additional cost—£28,700—is being borne by the Colony.

The dock, when completed, will be the finest and largest in Asia, and indeed will probably challenge comparison with any

of the dry docks available for the use of His Majesty's Navy. The Merewether dry dock at Bombay, the No. 1 dry dock at Hong Kong, and the dry dock No. 3 now under construction at Singapore are 500 feet long on the floor, or 200 feet shorter than the Colombo graving dock, while, although the docks under construction at Gibraltar and Malta are to have lengths of 850 and 750 feet respectively, it must be remembered that they are really double docks. The depth over all of the Ceylon dock at high water will be 32 feet, which also compares favourably with the depths of the docks at Bombay, Singapore, and Hong Kong. The breadth of the graving dock will be 85 feet at the entrance. The longest ships in the Navy—the Good Hope class—are 500 feet long; the broadest—the King Edward VII. class—78 feet; while none draws more than 27½ feet; the Colombo dock will therefore easily accommodate the longest and largest British war vessels for many years to come. As regards merchant ships, it will take anything afloat with the exception of the new boats on the Atlantic line, but none of these is ever likely to be seen at Colombo.

The Patent Slip, which will prove a valuable adjunct to the graving dock, was opened from the beginning of the year. It has been built to accommodate vessels up to 1,200 tons weight, and has fulfilled its object very successfully, the heavy harbour dredgers having been dealt with without a hitch. Its total cost was Rs. 635,000, or an excess of 20 per cent. over the estimate of the Consulting Engineers. On the other hand, the receipts from the slip have proved very satisfactory, and the year's working shows a profit of 4·66 per cent.

#### *Wet Dock.*

In view of the possible necessity for still more harbour accommodation, steps were taken during the year to survey a site for an inland dock near Mutwal in the north of Colombo. The survey was completed in June, but the plans and estimates have not yet been received from the Consulting Engineers. The dock, which would be entered from the present harbour across the site of the Mutwal jail, would be some 187 acres in extent, and the cost is certain to be very large.

#### (c) RAILWAYS.

The mileage open at the end of 1903 was 391½, being an increase of 23½ miles during the year, viz., 12½ miles from Nanu-oya to Nuwara Eliya and Kandapolla and 11 miles from Avisawella to Yatiyantota.

#### *Railway Extension.*

The Kelani Valley narrow-gauge (2 ft. 6 in.) line was completed on the 14th September. The railway has proved a costly one, the final estimate being over Rs. 112,000 per mile, or more

than 30 per cent. in excess of the estimate on which work was commenced. Nevertheless, there is little doubt that the line will soon show a considerable profit. The number of passengers has been about double the number estimated, and although the railway did not reach the chief tea-producing district, Yatiyantota, till towards the end of the year, the goods traffic exceeded anticipations both as to tonnage and receipts.

The Uda Pussellawa light railway was opened for traffic to Nuwara Eliya on 1st August, 1903, and to Kandapolla on 21st December. As the first example of a light narrow gauge railway in the hill districts, the experience of the line will be watched with keen interest.

On the opening of the line some difficulty was experienced owing to the unsuitability of the rolling stock to the frequent curves and reverse curves. The defects have, however, been remedied, and the line is now in efficient working order. The cost of the railway is expected to reach about Rs. 80,000 per mile, which again is a considerable excess on the original estimate. It is not yet possible to form an accurate idea as to the profitableness of this branch.

#### *Northern Railway.*

Good progress was made during the year with the construction of the trunk line from Kurunegala to Jaffna, the first step in a scheme which will probably one day link Ceylon with India. It is expected that the railway will be open as far as Anuradhapura, the ancient Sinhalese capital, about September, 1904, and large tracts of fertile country will then be brought into direct communication with Colombo.

---

The Railway Department had a prosperous year. The total receipts, Rs. 8,338,613·90, were the highest yet reached, and the surplus of revenue over expenditure was Rs. 3,748,692·18, or after deducting Rs. 1,724,725 interest and sinking fund charges on capital, a nett profit of Rs. 2,024,966·55 available for general purposes. According to the usual method of calculating the profit of commercial undertakings the profit earned by the railway last year was 6·04 per cent. of the capital cost, and it is interesting to compare this figure with those for Indian and English railways. For 1902, the latest year for which comparative figures are available, the average profit on all Indian railways worked by the State was 3·90 of the capital cost, and on guaranteed lines 5·03; while for English railways the percentage was only 3·45.

The railways of the island have during the forty years of their existence contributed about 33 millions of rupees to general administrative purposes, such as hospitals, schools, &c.

Between 1862 and 1902 the Ceylon railway accumulated 72½ millions of profits, and, after paying over 27½ millions in the shape of interest on capital outstanding and 11½ millions towards a sinking fund for the extinguishing of the debt, left a surplus of 33 millions available for Colonial purposes. The capital outlay on the whole mileage open at the end of 1902 is estimated to be about 58½ millions of rupees, so that the gross profits have already more than covered the total capital outlay. It will be seen that Ceylon in its railways has a highly remunerative property from which the Colony generally in all branches of its administration has greatly benefited.

The principal event during the year was the undertaking of extensive works for the better preservation of the Kadugannawa incline on the Colombo-Kandy line. From time to time trouble has been experienced with this section of the railway, owing to the precipitous formation of the trace in places and to the liability of loose overhanging rocks falling on the line, and this danger has necessitated constant vigilance on the part of the railway officers and servants. Early in 1903 it was felt that it was time the question of the safety of the incline should be definitely considered and settled; a small expert committee, including a competent Indian Geological engineer, was accordingly appointed, and as the result of their inquiries it was found desirable to construct tunnels at two places, one 440 yards long and the other 210 yards long. Sundry other minor operations and precautions were recommended, and the general verdict of the committee was that when the works were completed the incline would be in a satisfactory condition, and that it was unnecessary to consider the question of any alternative route.

The chief urgent work undertaken was the removal of the "Lion's Mouth," a huge rock estimated at 6,000 tons weight, which showed dangerous signs of falling on to the line. As no deviation of the line was possible it became necessary to suspend traffic during the operations. The work of removing the dangerous portion of the rock was completed in ten days, 542 lb. of dynamite being used to remove 3,000 tons of rock, whilst the remaining 3,000 tons of rock was subsequently taken away on Sundays, with only slight interruption of traffic.

It is anticipated that the work of constructing the two tunnels will occupy some two and a-half years, and will cost some Rs. 400,000.

#### (D) IRRIGATION.

The expenditure on irrigation during 1903 and the three previous years was as follows:—

						Rs.
1900	...	...	...	...	...	504,024
1901	...	...	...	...	...	767,845
1902	...	...	...	...	...	779,714
1903	...	...	...	...	...	795,936

With the sanction of the Secretary of State the Colony in 1900 agreed to set apart the sum of Rs. 5,000,000 to be expended on some eighteen large irrigation works, chiefly in the Eastern and Southern Provinces and along the line of the Northern Railway now under construction. On the completion of these eighteen works over 162,000 acres (250 square miles) of land, which is mostly at present jungle, will be added to the irrigable land in the Colony, at a cost, allowing for the completion of all schemes, of about Rs. 35 per acre for construction charges.

Experiments in the cultivation of rubber, cotton, cacao, &c., are already being made by Government under one of the tanks recently restored. When these experiments have been successfully carried out the results will be published, and favourable terms will be offered to those who are willing to take up land.

Six of the eighteen large works have already been completed, the restoration of two important tanks being successfully accomplished during the year 1902.

The Giant's Tank in the Northern Province is a fine specimen of the ancient irrigation works, the remains of which are found in nearly all parts of the island. The tank itself has a bund of  $9\frac{1}{4}$  miles, and has been restored to hold up 10 feet of water at the sluices: it has an area of 4,425 acres and a storage capacity of 1,046,000,000 cubic feet, which, with the aid of the village tanks which are fed through its sluices, renders irrigable an extent of about 20,000 acres. There have been actually cultivated during the past two harvests 11,000 acres, all of which have paid an irrigation rate of Re. 1 per acre for 1902. The return in this case has been the most rapid of any irrigation work yet constructed in Ceylon, and there seems every reason to hope that it will continue to increase in an equally satisfactory manner, for most encouraging reports have been received showing that the cultivators have readily paid the water-rate and thoroughly appreciate the benefits which the completion of the work has conferred upon them. The tank is capable of further enlargement, and there is little doubt that very nearly 40,000 acres will ultimately be irrigated by it.

The restoration of Minneri tank in the North-Central Province adds from 10,000 to 15,000 acres to the irrigable land of the island without taking account of the supply of water that can be ultimately made available when required by the restoration of its ancient supply channels.

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## XI.—GENERAL OBSERVATIONS.

## (A) IMPORTANT EVENTS.

1. Sir West Ridgeway, G.C.M.G., K.C.B., K.C.S.I., relinquished the administration of the Colony on 18th November, 1903, after governing Ceylon for nearly eight years, a term of office only exceeded by that of General Sir Robert Brownrigg, who was Governor from March, 1812, to February, 1822. The Lieutenant-Governor, the Hon. Mr. E. F. im Thurn, C.B., C.M.G. administered the Government from 19th November to 3rd December, on which date Sir Henry A. Blake, G.C.M.G., arrived from Hong Kong and assumed the Governorship.

2. In June, 1903, a riot occurred in Anuradhapura. Some members of a local branch of the body known as the Maha Bodhi Society put forward on behalf of the Buddhists most extravagant claims to Crown lands in Anuradhapura, and there is unmistakable evidence to prove that their ultimate object was the total exclusion from the town and its environs of all persons not of their persuasion. The claims advanced were refused by Government, and when an appeal was made to the Secretary of State he also rejected them. It was then hoped that the society had withdrawn its extravagant pretensions, and steps were therefore taken to negotiate a settlement which would concede the reasonable requirements of the Buddhist community, such as the grant of land round the principal dagabas sufficient for the erection of pansalas and seminaries. The negotiations were on the eve of a satisfactory conclusion, when some of the agitators attempted to force the hand of Government by violence. Advantage was taken of the great annual gathering of pilgrims in June to excite and inflame the crowd, and certain buildings to which the agitators had objected and also the Roman Catholic school and church were soon wrecked and destroyed by fire. Stern measures were promptly taken for the restoration of order, and thirty-six of the chief rioters were sentenced by the Supreme Court to terms of imprisonment varying from one to seven years.

3. The camp for prisoners of war was broken up in August, but there still remained five (out of the original 5,000 interned in the island), who refused to take the oath or the declaration of allegiance, and at the same time declined to proceed elsewhere than to South Africa. They were therefore released in the island, but informed that Government was at any time ready to provide them with a passage to any place except South Africa, or to South Africa if they would declare allegiance. Two of the five subsequently complied with the condition, and were accordingly repatriated. One of the last three has died in the island and the remaining two still seem to prefer their voluntary imprisonment.

4. A topographical map of Ceylon on the scale of eight miles to the inch was issued at the end of the year. This is the first accurate complete map of the Colony which has been published.

5. An important event of the year was the appointment of a Consulting Electrical Engineer to advise the Government and the Colombo Municipality in all electrical questions. With the continuously increasing use of electricity, not only for telegraphs and telephones, but also for tramways, lighting, and power supply, it has become important that Government should have an expert officer available for purposes both of advice and supervision. The officer selected by the Consulting Electrical Engineers to the Crown Agents arrived in May, 1903, and has already been able to afford both Government and the Municipality valuable assistance. As regards the former, his work consists in advising Government and local bodies on all undertakings involving the use of electricity, in enforcing the rules for protection of person and property under the Electricity Ordinance, and in supervising the plans and estimates and general work of the electrical branch of the Government Factory. His chief municipal duties are to advise the Council as to regulations for electric lighting and power, to conduct the necessary electric tests from time to time in connection with such regulations, and to advise upon any proposed electrical installation.

#### (B) IMMIGRATION AND EMIGRATION.

The returns of the Superintendent of Immigration in India show that there sailed to Ceylon during 1903, from the ports of Tuticorin, Ammapatam, Tondi, and Paumben, 112,336 coolies, traders, &c., and that 110,339 returned from Ceylon. On the whole immigration was slightly more active than in the preceding year, but the development of the Colony proceeds so rapidly that the supply of labour is still insufficient to meet the demand. Special measures for recruiting coolies in India are under the consideration both of Government and the Planters' Association.

#### (C) FUTURE PROSPECTS OF TRADE.

The value of the trade of the Colony in 1903 was Rs. 215,000,000, or about Rs. 60 per head of the population. The chief staple, tea, and the other staples, such as plumbago, cacao, and the products of the cocoanut palm, are all in a thoroughly healthy condition, while systematic experiments with new products likely to prove of commercial value are being vigorously prosecuted. Of these rubber is already a well-established industry, the Ceylon variety being considered the best quality in the market. There would appear to be no reason why the present position of rubber should not be the beginning of a trade which may well expand during the next five or six years to annual shipments of from 1,500,000 lb. to 2,000,000 lb. worth perhaps between £300,000 and £400,000. At the present time great interest centres round the cotton experiments in the dry zones of the island. If, as there seems good reason to

expect, they prove successful, the prosperous condition of the Colony's trade will be more firmly established than ever.

#### (D) SUITABILITY OF CLIMATE FOR EUROPEANS.

The climate varies greatly according to elevation and situation, but is not generally unsuitable for Europeans. In the hills the climate is excellent, and in the low-country the European, if careful, can keep his health, but an occasional change to a more temperate climate is generally necessary. Manual labour is practically impossible for the European, who is employed chiefly in supervision of labour or in sedentary pursuits.

#### (E) RATES OF WAGES AND COST OF LIVING.

The rate of wages for prædial labourers varies from 25 to 50 cents per diem; 37½ cents is the general rate. Domestic servants earn from Rs. 10 to Rs. 20 per mensem, the average wage being about Rs. 12. Trade employes earn from 50 cents to Re. 1.50 a day. The cost of living varies greatly in different parts of the island, being lowest in the Northern and Eastern Provinces and highest in Colombo, where house rent is a serious item to all classes. The ordinary villager can probably live in fair comfort for Rs. 5 to Rs. 6 a month.

#### (F) OPENINGS FOR INVESTMENT OF CAPITAL.

Openings for investment of capital are numerous.

The cultivation of rubber is proving a highly profitable industry, and there is plenty of available land well suited to this product.

Plumbago land in the Southern Province is comparatively cheap at present, and will become valuable when the price of the mineral rises.

Cocoanut cultivation extends steadily, and shows good returns on capital invested.

Some of the most promising opportunities for investment of capital are to be found in the Northern, North-Central, and North-Western Provinces. In the course of the next few years this area, where the restoration of great irrigation works has been carried out simultaneously with the construction of the Northern Railway, will be available for almost every branch of agricultural industry for which a tropical country is suited. Several applications for large extents of land have already been received from European syndicates, who intend to grow cotton, rubber, cacao, &c. These products should find a congenial home on the rich low-lying lands, while Indian corn and fine grains of all sorts will yield large returns on the higher lands. Pasturage being abundant, it is probable that cattle breeding might be made to pay, and the dry climate during nine months of the year should be favourable for poultry raising.

## (G) GENERAL CONDITION OF THE COLONY.

In concluding a review of his administration the late Governor, Sir West Ridgeway, described the economical condition of the Colony as "one of increasing wealth and prosperity, widely diffused among all classes of the community. Of this increase and diffusion there is abundant evidence in all branches of the revenue, in the savings bank returns, in the railway traffic, in the consumption of luxuries, and in the adoption of higher standards of living by the masses." As regards the immediate future, some anxiety is felt as to the effect of the recent unexpected enhancement of the Imperial tax on the chief staple, tea; on the other hand, the development of the northern part of the island is only just beginning, and far-reaching results may confidently be anticipated from rubber and cotton, the cultivation of which is being vigorously initiated.

## (H) SOCIAL AND MORAL CONDITION OF THE PEOPLE.

The social condition of the general body of inhabitants presents some striking contrasts. On the one hand, the native planters and traders possess the instincts of business and enterprise in a marked degree; on the other hand, the ordinary villager whose wants are few and easily satisfied, still deliberately refuses the many opportunities for obtaining liberal wages which are freely available to all who are willing to labour on the many estates and public works in the island. A similar association of opposite characteristics is noticeable in the moral condition of the people. In deeds of charity they are generous to a fault and under firm and consistent government they are quite amenable to the law. Education has not yet, however, had time to eradicate certain deplorable tendencies which, in the course of centuries, have become part of the native character. Chief among these is the ungovernable passion which leads the Sinhalese to commit, on the impulse of the moment, those savage assaults (too frequently, though generally quite unintentionally, ending in murder) which remain the chief problem of criminal administration in the Colony. If, however, the returns of violent crime appear to form a somewhat disappointing exception to the uniform progress of the Colony in all other respects, it must be borne in mind that in recent years great pains have been taken to perfect the machinery for investigating, and more especially for reporting, crime, and that therefore statistics which apparently reveal a stationary condition of affairs really contain the evidence of an appreciable advance.

A. R. SLATER,

*Assistant Colonial Secretary.*

Colonial Secretary's Office,  
Colombo, May 30, 1904.

## COLONIAL REPORTS.

The following among other, reports relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

### ANNUAL.

No.	Colony.	Year.
405	Southern Nigeria ... ..	1902
406	Straits Settlements ... ..	"
407	Trinidad and Tobago ... ..	1902-1903
408	Basutoland ... ..	"
409	Northern Nigeria ... ..	1902
410	Malta ... ..	1902-1903
411	St Lucia ... ..	1902
412	Mauritius ... ..	"
413	British Guiana ... ..	1902-1903
414	Jamaica ... ..	"
	Bahamas (Printed separately as [Cd. 1985]) ... ..	1902
415	Falkland Islands ... ..	1902-1903
416	Leeward Islands ... ..	"
417	British Honduras ... ..	1903
418	Bermuda ... ..	"
419	Weihaiwei ... ..	"
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422	Gibraltar ... ..	"
423	Sierra Leone ... ..	"
424	Gambia ... ..	"

### MISCELLANEOUS.

No.	Colony.	Subject.
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16	Miscellaneous Colonies ... ..	Medical Reports.
17	Gilbert and Ellice Islands ... ..	Report for 1896-1900.
18	Hong Kong ... ..	Operations in New Territory during 1900.
19	Miscellaneous Colonies ... ..	Medical Reports.
20	Weihaiwei ... ..	General Report.
21	Dominica ... ..	Report on Caribs.
22	Seychelles ... ..	Report on Para Rubber.
23	Dominica ... ..	Roads and Land Settlement.
24	Grenada ... ..	Land Settlement in Carriacou.
25	Hong Kong ... ..	Bubonic Plague, 1903.
26	Northern Nigeria ... ..	Mineral and Vegetable Products.
27	Miscellaneous Colonies... ..	Medical Reports.





COLONIAL REPORTS—ANNUAL.

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No. 481.

CEYLON.

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REPORT FOR 1904.

(For Report for 1903, see No. 425.)

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Presented to both Houses of Parliament by Command of His Majesty.  
*March, 1906.*

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**No. 481.**

**CEYLON.**

(For Report for 1903 *see* No. 425.)

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GOVERNOR SIR H. A. BLAKE to THE EARL OF ELGIN.

The Queen's House,  
Colombo, Ceylon,  
17th January, 1906.

MY LORD,

I HAVE the honour to forward herewith copies of the Report on the Blue Book for 1904 prepared in the Colonial Secretary's Office.

I have, &c.,

HENRY A. BLAKE,  
Governor, &c.

## REPORT ON THE CEYLON BLUE BOOK OF 1904.

\* \* This Report has been delayed owing to the revision of the Accounts of the Colony.

## I.—FINANCIAL.

## (A.) GENERAL REVENUE AND EXPENDITURE.

*Revenue.*

The estimated revenue for 1904 was Rs. 28,651,370, while the actual revenue amounted to Rs. 30,846,694, an increase over the estimate of Rs. 2,195,324. It should be noted, moreover, that the actual revenue of 1904 has exceeded the actual revenue of 1903—the largest revenue hitherto collected, amounting to Rs. 29,423,308—by Rs. 1,423,385.

2. The chief sources of revenue were:—

	Rs.	c.
Customs Imports and Exports ...	7,878,724	39
Licences, Excise, and Internal Revenue, not otherwise classified	5,810,477	73
Government Railways ...	8,900,957	15

3. The following is a comparative statement showing the actual revenue collected in 1903 and 1904:—

—	Revenue of 1903.	Revenue of 1904.	Nett Increase.	Nett Decrease.
	Rs. c.	Rs. c.	Rs. c.	Rs. c.
1. Customs ..	7,578,359 95	7,878,724 39	302,364 44	—
2. Port, Harbour, Wharf, and Light-house Dues	1,337,206 82	1,422,889 44	85,683 62	—
3. Licences, Excise, and Internal Revenue not otherwise classified.	6,355,287 56	5,810,477 73	—	544,809 83
4. Fees of Court or Office, Payment for Specific Services, and Reimburse-ments in aid.	1,891,289 30	1,928,568 42	35,299 12	—
5. Post and Telegraphs .. ..	1,078,981 38	1,167,711 45	88,730 9	—
6. Government Railway .. ..	8,355,675 90	8,900,957 15	545,281 25	—
7. Rents of Government Property ..	184,507 32	181,227 4	16,719 72	—
8. Interest .. ..	506,729 47	527,324 0	20,594 53	—
9. Miscellaneous Receipts .. ..	235,889 23	507,909 27	272,020 4	—
10. Sale of Government Property ..	1,186,432 54	1,449,889 42	263,456 88	—
11. Land Sales .. ..	735,970 7	690,688 75	—	37,283 32
12. Railway Permanent Way Materials Account.	—	374,369 20	374,369 20	—
Total .. .	29,423,308 52	30,846,694 26	2,006,478 89	582,093 15
			Deduct Decrease ..	532,093 15
			Nett Increase ..	1,423,385 74

4. There has been an increase under every head of revenue except under "Licences, Excise, and Internal Revenue not otherwise classified" and "Land Sales." The decrease under the former head was mainly due to the effect of the temperance movement on the sales of arrack, but it should be noted that, while the loss of revenue under this head was estimated at Rs. 1,000,000, the actual loss as compared with the figures of last year amounted only to Rs. 406,300·48.

5. The increase under "Customs" was due chiefly to larger importations of grain, cotton manufactures, kerosine oil, and "other goods," kerosine oil being responsible for an increase of Rs. 213,708·88. There was an increase under "Harbour Dues" of nearly Rs. 50,000. The decrease of the revenue derived from the sale of arrack rents has already being referred to. The failure of the salt pans throughout the Island—a result of the abnormal rains and floods during the latter part of 1903—necessitated the purchase of salt from India, and it is a matter for congratulation that the revenue derived under this head amounted to Rs. 1,069,667·56, a decrease on the revenue of 1903 of only Rs. 144,000. The increase of nearly Rs. 60,000 in the sale of postage stamps speaks for itself. "Government Railways" shows the satisfactory increase of Rs. 545,281. The revenue from "Land Sales" shows a decrease of Rs. 37,283.

### *Expenditure.*

6. The following is the comparative statement of expenditure for 1903 and 1904:—

Heads of Service.	1903.	1904.	Increase.	Decrease.
	Ra. c.	Ra. c.	Ra. c.	Ra. c.
1. Charges on account of Public Debt.	3,450,588 84	3,591,313 36	140,726 52	—
2. Pensions .. .. .	1,307,183 69	1,325,397 19	18,214 50	—
3. His Excellency the Governor ..	123,261 68	145,063 61	21,801 93	—
3a. Civil Service .. .. .	676,108 80	679,721 72	3,612 92	—
4. Secretariat .. .. .	277,870 68	290,162 15	12,291 47	—
5. Audit Office .. .. .	56,827 31	60,073 72	3,246 41	—
6. Treasury .. .. .	43,997 35	45,969 57	1,972 22	—
7. Provincial Administration .. ..	1,147,622 32	1,064,693 46	—	82,936 86
8. Survey Department .. .. .	665,937 45	667,296 50	10,399 5	—
9. Customs Department .. .. .	131,128 26	132,564 73	1,436 47	—
10. Port and Marine Department, Colombo.	306,053 67	441,092 55	132,038 88	—
11. Port and Marine Department other than Colombo.	34,165 21	34,880 85	695 64	—
12. Botanic Gardens .. .. .	125,310 82	129,638 48	4,327 66	—
13. Colombo Museum .. .. .	26,027 6	26,896 25	1,871 19	—
14. Legal Departments—				
Supreme Court .. .. .	160,085 43	146,820 15	—	13,265 27
Attorney-General .. .. .	66,686 90	76,168 69	6,481 79	—
Solicitor-General .. .. .	12,123 63	12,523 65	400 2	—
District Courts .. .. .	163,862 89	164,305 96	313 7	—
Courts of Requests and Police Courts.	130,702 34	136,624 23	5,921 89	—
Registration of Lands .. .. .	80,709 41	80,264 81	—	444 60
Registration of Marriages, Births, and Deaths.	121,554 18	124,526 46	2,972 28	—
Fiscals .. .. .	233,244 0	230,507 60	—	12,736 40
Loan Board .. .. .	5,529 38	5,568 27	38 89	—
Carried forward .. .. .	9,342,572 29	9,601,901 97	368,717 80	109,385 13

*Expenditure.—cont.*

Heads of Service.	1903.	1904.	Increase.	Decrease
	Rs. c.	Rs. c.	Rs. c.	Rs. c.
Brought forward .. .. .	9,342,572 29	9,601,904 97	368,717 80	109,385 13
15. Police .. .. .	735,149 66	765,576 75	30,427 9	—
16. Prisons .. .. .	538,781 36	540,469 63	1,688 27	—
17. Medical Department .. .. .	386,875 40	402,633 63	16,758 43	—
18. Hospitals and Dispensaries .. .. .	1,225,518 94	1,274,473 4	48,954 10	—
19. Ecclesiastical .. .. .	11,622 50	9,360 0	—	2,362 50
20. Education .. .. .	1,038,697 29	1,065,317 37	16,620 8	—
21. Transport .. .. .	17,055 26	12,518 34	—	4,536 92
22. Exchange .. .. .	237,542 17	240,877 88	13,535 16	—
23. Military Expenditure .. .. .	2,314,349 66	2,377,960 51	463,630 85	—
24. Miscellaneous Services .. .. .	921,325 9	1,062,187 40	770,862 31	—
25. Government Stores .. .. .	85,021 71	90,888 0	14,846 29	—
26. Crown Agents, London .. .. .	2,713 68	2,715 0	1 32	—
27. Forests .. .. .	271,735 20	306,069 60	34,354 60	—
28. Post Office and Telegraphs .. .. .	1,104,038 86	1,262,051 33	148,012 47	—
29. Railway Department. Open Lines.	4,691,744 69	5,187,682 90	495,938 21	—
Railway Construction Account .. .. .	—	1,125,000 0	1,125,000 0	—
30. Settlement Officer, Waste Lands Department.	48,446 15	67,163 16	18,717 1	—
31. Public Works Department .. .. .	433,843 56	420,714 61	—	13,128 95
31a. Irrigation Department .. .. .	430,401 12	331,683 24	—	98,717 88
32. Consulting Electrical Engineer .. .. .	—	15,077 23	15,077 23	—
33. Public Works Annually Recurrent.	1,948,378 26	2,003,939 89	55,561 61	—
34. Public Works Extraordinary .. .. .	1,404,146 23	2,934,318 37	1,530,073 4	—
Total Expenditure chargeable to General Revenue.	27,078,759 10	32,019,392 56	5,166,764 86	228,131 38
35. Public Works Extraordinary, chargeable to Loan Funds.	—	2,259,805 45	2,259,805 45	—
Grand Total .. .. .	27,078,759 10	34,279,198 3	7,426,570 31	228,131 38
		Deduct Decrease .. .. .	228,131 38	
		Nett Increase .. .. .	7,200,438 93	

The total expenditure for 1904 chargeable to current revenue and surplus funds was Rs. 4,940,633·48 more than in the previous year. To this must be added a sum of Rs. 2,259,805·45, being expenditure incurred in 1904 chargeable but not yet charged to loan, distributed as follows:—

	Rs. c.
Duplication of Water Main .. .. .	701,132 92
Harbour Construction .. .. .	932,178 87
Railway Construction .. .. .	626,493 66

7. As compared with the estimated expenditure for the year, the actual expenditure, not including the amount chargeable to loan, shows an excess of Rs. 3,039,542·58. The chief items contributing to the excess are:—

- (1) "Miscellaneous Services."—Excess over estimate Rs. 883,592·40. Additional provision to meet value of buildings at Diyatalawa Camp taken over by the Ceylon Government; expenses on account of pearl-extracting machinery; purchase of ss. "Violet"; St. Louis Exhibition; and refund of Customs duty on articles purchased for Boer prisoners.

- (2) "Railway Department."—Railway construction works Rs. 1,125,000. Moiety of the excess on the estimated cost of construction of the Kelani Valley and Uda Pussellawa Railways now charged to revenue.
- (3) "Public Works Extraordinary."—Rs. 779,305·27. Moiety of the cost of duplication of the water main now charged to revenue.

8. On a careful investigation of the financial position of the Colony it was ascertained that the surplus balance on 1st January, 1904, stood at Rs. 4,457,727·96. The real balance was, however, much less, the difference being made up of large sums advanced for various public works and treated as recoverable advances, when in fact they were not recoverable but had been spent, though not yet accounted for. These advances were brought to account as expenditure, and thus helped to increase the expenditure for the year to so large an amount as Rs. 34,279,198·03.

(B.) IMPORTANT CHANGES IN TAXATION.

Nil.

• (C.) ASSETS AND LIABILITIES.

1. According to the accounts of the Colony the total excess of assets over liabilities on 31st December, 1904, amounted to Rs. 1,025,224·19, arrived at as follows:—

*Assets.*

	Rs.	c.
By surplus funds on December 31, 1903 ...	4,457,727	96
By revenue for 1904... ..	30,846,694	26
Total—Rs.	35,304,422	22

*Liabilities.*

	Rs.	c.
To expenditure for 1904 chargeable to current revenue and surplus balances ...	32,019,392	58
To expenditure for 1904 chargeable but not yet charged to loan:—		
	Rs.	c.
Duplication of water main	701,132	92
Harbour construction ...	932,178	87
Railway construction ...	626,493	66
	2,259,805	45
Total—Rs.	34,279,198	3
Excess of assets over liabilities—Rs.	1,025,224	19

2. The position, however, was actually better than the accounts disclosed, because some portion of the expenditure which was taken into account in striking the balance was expenditure of which the general revenue was entitled, under the Secretary of State's authority, to be relieved, and the item Rs. 2,259,805·45 carried to loan; and when this operation had been effected the nett surplus on 31st December, 1904, was Rs. 3,285,029·64. Only a small part of this 3½ millions was, however, available for appropriation. A part of the Colony's balances invested on rupee paper had depreciated by about Rs. 500,000, and a sum of Rs. 1,600,000 is more or less permanently locked up in advances to public bodies and in the shape of stores. Something less, therefore, than Rs. 1,200,000 was the free balance at the Colony's disposal on 31st December, 1904.

(D.) PUBLIC DEBT, SHOWING PROVISION FOR PAYMENT.

1. No loans were raised in 1904. The balance due by the Colony on sterling loans raised in London stood on 31st December, 1904, at £4,702,501 10s. 5d. as against £4,738,331 2s. 5d. on the same date in 1903. The balance outstanding on the local silver loans was Rs. 3,178,754·07 as against Rs. 3,194,979·98 on 31st December, 1903.

2. Provision is made for the repayment of all loans by means of a sinking fund, the charges on the debt in interest and sinking fund amounting in 1904 to Rs. 3,591,313·36.

3. The total amount in local currency of the Colony's debt was on 31st December, 1904, Rs. 73,716,276·87, that is to say, only  $2\frac{1}{2}$  times the revenue.

4. The price of Ceylon stock has remained firm. A comparison of the following table giving the prices at the end of 1903 and 1904 of various Colonial securities shows that Ceylon, New South Wales, and Cape Colony stock are the only three that have not suffered a fall:—

Stock.					1903.	1904.
New South Wales 3 per cent. inscribed	...				86	86
New Zealand do. do. ...	...				90	88
Victoria do. do. ...	...				86	85
W. Australia do. do. ...	...				87	84½
British Guiana do. do. ...	...				90	88
Canada do. do. ...	...				98	97
Cape Colony do. do. ...	...				87	87
Natal do. do. ...	...				89	88
Trinidad do. do. ...	...				91	89
CEYLON do. do. ...	...				95	95

(E.) CURRENCY AND BANKING.

*Currency.*

The currency of Ceylon is based upon the Indian rupee. It consists at present of—

- (1) Notes: Ceylon Government notes of Rs. 1,000, Rs. 100, Rs. 50, Rs. 10, and Rs. 5.
- (2) Gold: British sovereigns, which are legal tender at the rate of Rs. 15 to the sovereign.
- (3) Silver: The Indian rupee.

All the above are legal tender to any amount.

Subsidiary coins are—

- (1) Silver: Ceylon 50-cent, 25-cent, and 10-cent pieces. Also Indian 8-anna and 4-anna pieces, which are current at 50 cents and 25 cents respectively. These are legal tender to the amount of Rs. 5.
- (2) Copper: Ceylon 5-cent, 1-cent,  $\frac{1}{2}$ -cent, and  $\frac{1}{4}$ -cent pieces. These are legal tender to the amount of 50 cents.

About half the face value of the paper issued is held in specie by the Currency Commissioners, the balance being invested in Indian Government Paper and other approved securities.

	Value.			
<i>Circulation.</i>				
Currency notes in circulation on December 31st, 1904.	—	—	Rs. 13,633,770	c. 0
<i>Reserve.</i>				
By gold £199,934 in sovereigns at Rs. 15 a sovereign.	In Gold. Rs. 2,999,010	In Silver. Rs. —	In Securities. Rs. —	c. 0
By silver in the vault ...	—	3,808,313	—	33
By investments made by the Crown Agents.	—	—	4,617,486	2
By investments made in Indian Government Paper.	—	—	2,208,960	67
	2,999,010	3,808,313	6,826,446	69
Total ...	Rs. 13,633,770-2			

The effect of the change in currency legislation made in 1903, by which the Commissioners of Currency were freed from the obligation to receive gold in exchange for notes when it

might be inexpedient in their judgment to do so, was that by 18th January the gold reserve was reduced to £100,000 and the note issue to Rs. 13,811,090. Before the close of the first quarter of the year the reserve in coin fell below one-third of the note issue, and it was, therefore, decided to sell Indian Paper up to the amount of silver required. Accordingly between 15th April and 6th June Rs. 2,400,000 worth of Indian Paper was sold and silver to that amount was imported. There has been no further importation of silver since that date.

### *Banking.*

The following banks do business in the Colony:—The Mercantile Bank of India, Limited, the Bank of Madras, the National Bank of India, Limited, the Hong Kong and Shanghai Banking Corporation, and the Chartered Bank of India, Australia, and China.

### (F.) COMPARATIVE STATEMENT OF THE TOTAL REVENUE AND EXPENDITURE OF MUNICIPALITIES FOR THE FIVE YEARS ENDED DECEMBER 31, 1904.

Name of Municipality.	Revenue or Expenditure.	1900.	1901.	1902.	1903.	1904.
		Rs. c.	Rs. c.	Rs. c.	Rs. c.	Rs. c.
Colombo ..	{ Revenue ..	1,152,137 58	1,230,005 20	1,405,838 88	1,337,344 8	1,567,907 46
	{ Expenditure	902,408 5	1,306,278 56	1,175,727 7	1,494,420 40	1,866,137 70
Kandy ..	{ Revenue ..	181,946 94	181,107 91	173,202 85	199,303 84	192,150 47
	{ Expenditure	183,871 31	186,728 3	185,384 63	196,217 71	179,583 10
Galle ..	{ Revenue ..	109,508 51	88,222 74	91,652 67	92,886 64	95,911 93
	{ Expenditure	87,839 69	94,009 28	92,535 45	88,115 81	86,563 57

STATEMENT OF DEBTS OF MUNICIPALITIES UP TO END OF 1904, SHOWING  
PROVISION FOR PAYMENT.

Name of Municipality.	Amount of Debt.	On what account.	Provision for Payment.
Colombo ... ..	Ra. c. Nil 173,231 13	— Waterworks construction ...	— Water-rate of 6 per cent. on properties within certain portions of the Municipality (Ordinances Nos. 18 and 29 of 1884).
Kandy ... ..	91,615 55	Acquisition of lands above reservoir	Bond assigning portion of water-rate, as authorised by Ordinance No. 7 of 1887.
	20,000 0	To widen Victoria Drive and clear lake silt.	Bond assigning portion of rates and taxes under sections 127 (a) and (b), 128, 129 and 130 of Ordinance No. 7 of 1887.
	14,852 11	For repairing main sewer and constructing new drains.	Do. do
Galle ... ..	58,180 78	Construction of waterworks ...	A water-rate of 5 per cent. is levied within the Fort for repayment of loan.
	38,304 73	Sanitary improvements ... ..	Mortgage of stamp duties on licenses for carts, boats, and coaches; and also stamp duties under Licensing Ordinances of 1893 and 1897.
Total ... ..	396,184 30		

## (G.) LOCAL BOARDS.

There are eighteen Local Boards in the Island. In 1904 their total revenue amounted to Rs. 319,279·03 as compared with Rs. 290,062, the revenue in 1903; and the total expenditure amounted to Rs. 276,951·89 as against Rs. 263,143, the expenditure in 1903.

The total balance outstanding of the loans granted to Local Boards by Government in order to carry out urgent schemes of sanitation and water supply, &c., was on 31st December, 1904, Rs. 314,703·14, which was made up of twenty-eight loans distributed amongst twelve Local Boards.

The following loans (included in the above amount) were granted in 1904:—

	Rs.
Local Board, Hatton, for construction of markets ... ..	11,500
Board of Improvement, Nuwara Eliya, for a new town hall and assembly rooms ...	36,000
Local Board, Trincomalee, for the construction of markets ... ..	12,000
Local Board, Ratnapura, for the construction of drains ... ..	6,500
Local Board, Gampola, for a water supply ...	25,000

## (H.) LOANS TO OTHER BODIES.

In addition to the loans to Municipalities and Local Boards referred to above, it may be noted that the following loans have been granted:—

	Original Loan.	Balance outstanding on December 31, 1904.
	Rs.	Rs.
Kandy industrial School ... ..	10,000	6,881 14
District Road Committee, Jaffna, for improvement of markets.	5,000	4,000 0
The Thirty Committee for advertising tea in foreign lands.	150,000	100,000 0
The Pettah Library, for new building ...	14,000	14,000 0

The loan to the Thirty Committee was originally repayable within seventeen months, but on a representation being made subsequently to Government asking for an extension of time it was decided to spread the repayment over three years at Rs. 50,000 a year.

## II.—TRADE, AGRICULTURE, AND INDUSTRIES.

### (A.) IMPORTS AND EXPORTS.

1. The year 1904 was a prosperous one for Ceylon trade, the aggregate value of the imports and exports showing an increase of Rs. 5,424,000 over the previous year, which surpassed any year in the history of the Colony except 1900.\*

The figures since 1894, expressed in lacs of rupees (omitting specie, but including coal exported for use of steamers), are as follows:—

Year.					Rs.
1894	...	...	...	...	1,476
1895	...	...	...	...	1,610
1896	...	...	...	...	1,624
1897	...	...	...	...	1,690
1898	...	...	...	...	1,813
1899	...	...	...	...	2,130
1900	...	...	...	...	2,206
1901	...	...	...	...	2,042
1902	...	...	...	...	2,086
1903	...	...	...	...	2,144
1904	...	...	...	...	2,198

2. The expansion of the Colony's trade with foreign countries has continued. The following table shows the distribution of the total imports and exports since 1894 (exclusive of specie and coal exported for use of steamers):—

Total Imports and Exports (in lacs of rupees).

Year.				United Kingdom.	British Colonies.	Foreign Countries.	Total.
1894	...	...	...	724	542	125	1,391
1895	...	...	...	773	618	139	1,530
1896	...	...	...	683	597	158	1,438
1897	...	...	...	768	634	202	1,504
1898	...	...	...	785	682	241	1,708
1899	...	...	...	922	728	365	2,015
1900	...	...	...	896	819	340	2,055
1901	...	...	...	800	783	317	1,900
1902	...	...	...	800	752	394	1,946
1903	...	...	...	796	804	431	2,031
1904	...	...	...	772	849	443	2,064

3. The trade with the United Kingdom has fallen below any year since 1897, and is less than it was nine years ago.

\* The total aggregate for 1900 was 2,205 lacs of rupees, or 7 lacs more than in 1904. The imports in 1900 were 92 lacs more than in 1904. The exports were 85 lacs less.

The trade with British Colonies shows an increase of 45 lacs, and is greater than any year on record, as is also the trade with foreign countries, which shows an increase of 12 lacs.

In 1894:—

52 per cent. of the trade of the Island was with the United Kingdom;

39 per cent. of the trade of the Island was with British Colonies (including India);

9 per cent. of the trade of the Island was with foreign countries.

In 1904:—

37½ per cent. of the trade of the Island was with the United Kingdom;

41 per cent. of the trade of the Island was with British Colonies (including India);

21½ per cent. of the trade of the Island was with foreign countries.

The great increase in the Colony's trade with foreign countries was pointed out in last year's report; the increase is continued and marked. The percentage of trade with foreign countries to the whole trade of the Island for the last five years is—

1900	...	...	...	...	...	16·5
1901	...	...	...	...	...	16·7
1902	...	...	...	...	...	20·2
1903	...	...	...	...	...	21·2
1904	...	...	...	...	...	21·5

4. Of Ceylon in 1904 it may be said roughly that the Colony—

Exported to the United Kingdom half her total exports, and imported from the United Kingdom one-fourth of her total imports.

Exported to the British Colonies one-sixth of her total exports, and imported from British Colonies nearly two-thirds of her total imports.

Exported to foreign countries one-third of her total exports, and imported from foreign countries one-ninth of her total imports.

This rough balance of trade is in accord with that for 1903, though the percentages show a falling off in the trade with the United Kingdom. Comparing the figures of 1903 and 1904—

Imports from United Kingdom have decreased 21 per cent.  
Imports from British Colonies have increased 8 per cent.  
Imports from foreign countries have increased 8 per cent.  
Exports to United Kingdom have decreased 6 per cent.  
Exports to British Colonies have increased 10 per cent.  
Exports to foreign countries have increased 4 per cent.  
Total increase in trade 1·6 per cent.

*Imports.*

5. The following table gives a comparison between 1903 and 1904:—

Imports.				1903.	1904.
				Ra.	Ra.
From United Kingdom	...	...	...	25,800,000	26,500,000
" British Colonies ...	...	...	...	63,400,000	66,500,000
" Foreign Countries	...	...	...	11,700,000	12,700,000

6. In the report for 1903 a table was given to illustrate the great increase in imports from foreign countries, and the articles in which the foreigner was gradually superseding the English producer as a supplier to Ceylon.

The United Kingdom has held her own with or improved her position as regards foreign countries in exports to Ceylon of refined sugar, biscuits, iron, angle, and Swedish bar, tinware, cement, and tea chests, which were among the articles given in 1903 as instances of the development of foreign trade. The figures for these commodities are:—

	From United Kingdom.		From Foreign Countries.		Remarks.
	1903.	1904.	1903.	1904.	
	Ra.	Ra.	Ra.	Ra.	
Refined sugar ..	{ 77,000* 148,000† 918,000‡ }	{ 87,000* 288,000† 967,000‡ }	750,000	693,000	An increase of Rs. 141,000 in value of amount imported from India, and a decrease of Rs. 108,000 on imports from Austria.
Biscuits .. ..	185,000	200,985	108,000	85,224	—
Iron, angle, and Swedish bar.	8,000	5,180	32,000	14,375	—
Tinware .. ..	13,000	48,000	36,000	14,000	Increase due to larger import from United Kingdom.
Cement .. ..	88,000	98,000	102,000	88,000	Do.
Haberdashery ..	{ 711,000* 580,000† 680,000‡ }	{ 745,000* 684,000† 684,000‡ }	90,000	111,000	{ Increase due to larger import from British India.
Tea chests .. ..	460,000	560,000	1,032,000	1,101,000	—

\* United Kingdom.

† India.

‡ Hong Kong.

7. The articles enumerated above are the only important imports in which the competition of the foreigner does not show a further advance. The most marked progress made by the foreigner is in Ceylon imports of cast steel, hardware, machinery, made-up apparel, and cotton piece goods, of which the total value of imports from foreign countries amounted in 1893 to Rs. 7,000, in 1904 to Rs. 1,273,000.

The following table gives a list of imports in which foreign countries improved their position as regards the United Kingdom in 1904:—

	From United Kingdom.		From Foreign Countries.		Remarks.
	1903.	1904.	1903.	1904.	
	Rs.	Rs.	Rs.	Rs.	
Potatoes .. ..	{ 3,000* 190,000†	{ 3,800* 167,000†	{ 156,000 167,000	{ 167,000	Germany exported Rs. 300 value in 1903, Rs. 15,000 in 1904.
Cast steel .. ..	81,000	65,000	36,000	61,000	Value imported from Germany increased by Rs. 30,000.
Hoop iron .. ..	148,000	69,000	111,000	105,000	A general decrease, but affecting the United Kingdom more than other countries.
Hardware .. ..	935,000	{ 791,000* 23,000†	113,000	128,000	—
Machinery .. ..	1,032,000	741,000	130,000	338,000	Germany exported Rs. 290,000 worth of oil-making machinery to Ceylon, as against Rs. 2,000 in 1903. There was an increase of Rs. 59,000 in value of foundry and workshop machinery imported from the United Kingdom.
Flannel .. ..	88,000	83,000	38,000	36,000	—
Made-up apparel	266,000	245,000	120,000	138,000	Increase of Rs. 20,000 under imports from Germany.
Dyed cotton piece goods.	{ 434,000* 1,343,000†	{ 417,000* 1,379,000†	{ 332,000	608,000	French exports to Ceylon increased from Rs. 3,000 to Rs. 26,000, German from Rs. 59,000 to Rs. 94,000, Dutch from Rs. 109,000 to Rs. 291,000, Swiss from Rs. 54,000 to Rs. 124,000. Only Foreign Country showing decrease is Italy, from Rs. 75,000 to Rs. 48,000.
Manures .. ..	{ 217,000* 1,105,000†	{ 182,000* 1,559,000†	{ 562,000	591,000	The largest increases are shown by Germany in export to Ceylon of basic slag (Rs. 12,000), kainit (Rs. 12,000), sulphate of ammonia (Rs. 8,500), sulphate of potash (Rs. 82,000), superphosphate (Rs. 15,000), other manures (Rs. 38,000). British India shows increased import by Ceylon of castor seed, poonac (Rs. 185,000), ground nut cake, a new import (Rs. 93,000), bone manure (Rs. 50,000), fish manure (Rs. 57,000).

\* United Kingdom.

† India.

8. It is not possible in this report to analyse the causes at work which tend to increase foreign trade, but attention may be called to the fact that the increase in imports by Ceylon of foreign goods is largely in cheap articles, which the German, Belgian, and French manufacturers put on the market in a form which will appeal to the native buyer.

Germany exported to Ceylon Rs. 84,000 worth of biscuits, which command a sale almost entirely on account of the boxes in which they are packed, which are of a size suitable for a betel box, or a native woman's work box, and ornamented with attractive, if gaudy, designs. Germany exports to Ceylon more beads, images and statues, handkerchiefs, scarves, shawls, pewterware, and zincware than the United Kingdom. The imports in 1904 of fancy articles, lamps, haberdashery, made-up apparel, dyed goods, musical instruments, toilet soap, and toys from Germany show a very large increase on the values imported in 1903.\*

It appears that it is chiefly in the smaller articles, the sale of which is pushed by the commercial traveller, that the foreigner is gaining the market.

9. The following table gives the countries which export the largest number of articles to Ceylon in order, showing the value of the imports in 1903 and 1904 and the decrease or increase in trade:—

Imports from	Imports from Foreign Countries.		Increase or Decrease per cent.	Reasons for Increase or Decrease.
	1903.	1904.		
1. Germany .. .. .	Ra. 2,061,008	Ra. 2,462,637	+ 20	Increased imports by Ceylon of manures, oil-making machinery, textile, manufactured goods, fancy articles, &c.
2. Japan .. .. .	1,583,483	1,757,074	+ 10	Increased imports of tea chests and coal (Ra. 480,000 against Ra. 400,000 in 1903).
3. Russia .. .. .	897,520	1,445,802	+ 61	Increased imports of kerosine oil (Ra. 1,390,000 in 1904, Ra. 857,000 in 1903).
4. Austria .. .. .	985,006	841,819	- 15	Decrease in imports of refined sugar (Java and Russia in Europe exported respectively Ra. 35,000 and 33,500 worth of refined sugar to Ceylon in 1904, as against no import from Java and only Ra. 190 worth from Russia in 1903).
5. France .. .. .	744,550	750,635	+ 8	—
6. United States of America .. .. .	721,887	725,963	+ 5	—
7. Holland .. .. .	488,583	663,938	+ 33	Increased import of gin and cotton goods.
8. Switzerland .. .. .	370,762	438,662	+ 18	Increased import of cotton goods and Swiss milk, but no import of Swiss manures, as against a value of Ra. 65,000 in 1903.
9. Belgium .. .. .	469,893	377,162	- 19	Decrease in imports of raw iron and steel.
10. Italy .. .. .	369,440	290,540	- 21	Decrease in imports of dyed goods.
11. Sweden .. .. .	250,442	184,861	- 26	Decrease in imports of raw iron and matches.
Total of all Foreign Countries.	11,749,049	12,725,048		

\* The increase for the year in the value of these articles imported from Germany was Ra. 111,000 on a total value of Rs. 348,000.

Russia shows the largest increase, due almost entirely to the increased demand for kerosine oil. Germany keeps well ahead, and the only other country to show any marked increase in its exports to Ceylon is Holland.

10. The next table gives a list of articles which are or can be produced in Ceylon, but which were imported in large quantities in 1904. In some cases there is an import and export trade:—

Articles	Value.	Country from which Imported.
	Rs.	
Chillies ... ..	1,190,644	Imported from India and Burma.
Tamarind... ..	136,263	Do. do.
Fish: cured and {	1,648,430	Do. do.
salted. {	69,100	Imported from Foreign India.
	54,147	Exported to Straits Settlements and British India.
Ghee ... ..	124,258	Imported from British India and Burma.
Paddy ... ..	2,262,752	Do. do.
	34,248,853	Do. do.
Rice ... ..	98,189	Imported from Straits Settlements.
	1,776,679	Imported from Foreign India.
	24,818	Exported to Maldivo Islands.
Onions ... ..	585,997	Imported from India and Burma.
Ginger, dry ...	43,644	Do. do.
Pepper ... ..	18,475	Do. do.
	113,949	Exported to United Kingdom, British India, and France.
Ground-nut cake...	95,118	Imported from India.
Tobacco(unmanu- {	45,171	Imported from India and Burma.
factured). {	924,295	Exported to British India.
Palmyra fibre {	109,631	Imported from India and Burma.
	189,214	Exported to United Kingdom, Belgium, and Germany.
Tea seed ... ..	11,686	Imported from India and Burma.
	19,544	Exported to United Kingdom and Java.
	32,874	Imported from India, Burma, Straits, and China.
Tortoise shell {	41,880	Exported to United Kingdom.
Teak ... ..	698,307	Imported from India, Burma, and Straits.
	149,670	Imported from India, Burma, and China.
Gunny bags {	407,716	Exported to India.
Mats, mat bags, {	34,907	Imported from India, Burma, and China.
and baskets. {	5,950	Exported to India.
Oil, gingelly ...	35,017	Imported from India and Burma.
Oil, castor ... ..	114,955	Do. do.
	1,579,562	Do. do.
Poonac, gingelly {	39,313	Imported from France and India.

9,560,321 bushels of rice were imported in 1904 as against 9,519,161 bushels in 1903, which gives an average of 2·68 bushels per head of population, the highest average for any period, certainly since 1866, when the average was 2·04 per head, and 3,765,716 bushels were imported.

The import of rice does not depend entirely on the quantity of rice for which there is a demand, but also on the quality. There is in some districts a marked preference for Indian rice; this fact is, however, noteworthy in connection with irrigation and the large irrigation works which have been restored in the last few years.

*Exports.*

11. Exports of Ceylon produce and manufacture:—

—	1903.	1904.
	Rs.	Rs.
To United Kingdom ...	53,900,000	51,100,100
To British Colonies ...	15,600,000	17,300,000
To Foreign Countries ...	31,400,000	31,500,000

In 1904 the value of exports amounted to Rs. 117,666,666, made up as follows:—

—	Value.
	Rs.
Ceylon produce ... ..	99,894,461
Imports re-exported ... ..	1,214,415
Specie... ..	3,157,050
Coal for use of steamers ... ..	13,400,740
Grand Total ... ..	117,666,666

Compared with 1903, Ceylon produce shows a decrease of Rs. 977,095, which is mainly due to smaller shipment of cocoanut oil and to the fall in the average value of tea from 39 cents a pound to 36 cents.

Imports re-exported show a decrease of Rs. 141,752; specie of Rs. 3,379,562, but there is an increase in the value of coal exported for use of steamers from Rs. 11,293,240 to Rs. 13,400,740.

12. The following table shows the countries which take the largest amount of Ceylon produce, giving the value of the exports to them in 1903 and 1904, with the increase or decrease per cent.:—

*Countries which take the Largest Amount of Ceylon Produce.*

Exports to	In 1903.	In 1904.	Increase or Decrease Per cent.	Reasons for Increase or Decrease.
1. Germany ..	Rs. 7,069,284	Rs. 8,666,261	+ 22	Increased exports of copra (Rs. 3,527,000 in 1904 against Rs. 2,814,000 in 1903), plumbago (Rs. 1,300,000 against Rs. 971,000), desiccated cocoanuts (Rs. 453,000 against Rs. 270,000), tea (Rs. 415,000 against Rs. 233,000), fresh cocoanuts (Rs. 114,500 against Rs. 67,000), cacao (Rs. 516,352 as against Rs. 153,681). There were decreases in the export of cinnamon (Rs. 713,000 from Rs. 818,000 in 1903), poonac (Rs. 698,000 from Rs. 800,000 in 1903), cocoanut oil (Rs. 320,000 from Rs. 380,000).
2. United States of America.	8,545,652	8,193,536	- 4	The decrease is due to the export of tea for 1904 being valued at Rs. 2,019,000 as against Rs. 2,701,000 in 1903, plumbago (Rs. 2,570,000 against Rs. 2,984,000), cinnamon (Rs. 223,000 against Rs. 304,000), cacao (Rs. 13,700 against Rs. 41,000). The export of cocoanut oil increased from Rs. 1,700,000 in 1903 to Rs. 2,380,000 in 1904; desiccated cocoanut from Rs. 330,000 to Rs. 461,000.
3. Russia .. ..	6,018,743	4,992,282	- 17	The decrease is due to less tea being exported in 1904 (Rs. 3,835,000 as against Rs. 3,960,000 in 1903), less copra (Rs. 1,068,000 against Rs. 2,006,660 in 1903).
4. Belgium .. ..	2,662,663	2,834,307	+ 6	Though there was an increase in the amount of plumbago, copra, coir fibre, and desiccated cocoanut exported, there were decreases of Rs. 202,000 in export of poonac and of Rs. 42,000 in cocoanut oil.
5. Austria .. ..	1,113,376	1,975,232	+ 69	Export of cocoanut oil increased from Rs. 753,000 to Rs. 1,390,000, copra from Rs. 290,000 to Rs. 600,000, and tea from Rs. 31,000 to Rs. 51,000.
6. France .. ..	1,751,506	1,940,939	+ 5	There were increased exports of copra (Rs. 1,074,000 in 1903 and Rs. 1,298,000 in 1904) and tea (Rs. 172,000 to Rs. 218,000), but decreased exports of cocoanut oil (from Rs. 253,000 in 1903 to Rs. 93,000) and cinnamon (from Rs. 66,000 to Rs. 25,000); no poonac was exported to France in 1904, as against Rs. 36,000 worth in 1903.
7. Italy .. ..	688,441	606,374	- 11	There were decreased exports of copra (Rs. 300,000 against Rs. 360,000 in 1903) and cocoanut oil (Rs. 74,000 against Rs. 135,000), and an increased export of cinnamon (Rs. 21,000).
8. Holland.. ..	301,699	497,291	+ 64	There was an increased export of copra (Rs. 80,000 against Rs. 4,000), of desiccated cocoanuts (Rs. 85,000 against Rs. 55,000), and cinnamon (Rs. 183,500 against Rs. 113,000).
9. Japan .. ..	86,298	150,178	+ 52	Increased export of plumbago (Rs. 85,000 against Rs. 46,000 in 1903) and tea (Rs. 41,000 against Rs. 8,000).

13. The most interesting point in this comparison is that Germany is now Ceylon's chief customer, and has for the first time displaced the United States of America in the quantity

and value of her imports from Ceylon. Germany is first in both tables of imports and exports; she takes over a third of the total exports of Ceylon to foreign countries, while she supplies one-fifth of the imports into Ceylon from foreign countries.

14. With the exception of Japan and Holland all the most important foreign countries import a much larger value of commodities from than they send to Ceylon.

The total exports to foreign markets is about two and a half times the imports from them. Where Ceylon takes most she gives most, except in the case of Japan and Holland, where tea chests and gin respectively give these two countries the larger portion of the trade between them and Ceylon.

15. There has been a considerable increase during the year in the trade with Austria, Holland, and Japan, as well as Germany; the only decrease of any importance is in the trade with Russia (17 per cent.), due to decrease in export of copra and tea.

16. The value of exports of products of the cocoanut palm show an increase of Rs. 1,326,300 in the exports to foreign countries, though there are decreases of Rs. 287,800 in exports to British Colonies and of Rs. 2,512,500 in exports to United Kingdom. The following summary gives the figures for the different products:—

*Value of Exports of Products of the Cocoanut Palm  
in 1903 and 1904.*

Products.	Exported to United Kingdom.		Exported to Colonies.		Exported to Foreign Countries.	
	1903.	1904.	1903.	1904.	1903.	1904.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Arrack .. .. .	—	—	126,000	117,000	3,500	4,700
Fresh Cocoanuts .. ..	498,000	615,000	9,200	8,000	202,400	360,000
Deshicated Cocoanuts ..	2,061,000	1,705,000	220,400	168,000	823,000	1,222,000
Coir Fibre .. .. .	379,000	367,500	69,000	87,000	345,000	344,000
Coir Rope .. .. .	1,000	2,000	204,000	215,500	2,500	—
Coir Yarn .. .. .	646,000	668,000	93,500	117,000	205,700	209,000
Copra .. .. .	70,000	42,500	8,700	1,500	7,453,000	7,929,500
Cocoanut Oil .. .. .	6,792,000	4,487,000	653,000	381,500	3,578,000	4,328,700
Poonac .. .. .	9,000	6,000	—	500	1,490,000	1,091,000
<b>Total .. .. .</b>	<b>10,896,000</b>	<b>7,883,500</b>	<b>1,383,800</b>	<b>1,096,000</b>	<b>14,103,100</b>	<b>15,429,400</b>

The products of the cocoanut palm represent nearly 25 per cent. of the export of Ceylon produce in 1904, and of this amount foreign countries took nearly two-thirds. As in 1903, practically all the copra and poonac was exported to Germany, Belgium, France, Russia, Austria, and Italy.

There was a considerable decrease on the amount of cocoanut oil exported to the United Kingdom (4½ millions against 6 millions in 1903) and to the British Colonies (Rs. 381,500 against Rs. 653,000 in 1903), and a decrease of Rs. 350,000 in desiccated cocoanut exported to United Kingdom.

There were increases of Rs. 475,000 in value of copra and Rs. 750,000 in value of cocoanut oil exported to foreign countries.

There were increases in value of arecanuts exported (Rs. 768,000), cacao (Rs. 200,000), citronella oil (Rs. 200,000), plumbago (Rs. 489,000).

The largest decreases besides those mentioned above were in cinnamon (Rs. 170,000), plantation coffee (Rs. 125,000), and tea (Rs. 1,344,000).

17. The following summary gives the staple exports of the Colony in 1903-4:—

Products.	To United Kingdom.		To British Colonies.		To Foreign Countries.	
	1903.	1904.	1903.	1904.	1903.	1904.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tea .. .. .	38,000,000	37,500,000	10,000,000	11,700,000	9,500,000	7,800,000
Products of the Cocoa-nut Palm.	10,396,000	7,883,500	1,383,800	1,096,000	14,103,100	15,428,400
Plumbago .. ..	1,448,000	1,800,000	48,500	40,500	4,430,000	4,680,000
Cinnamon .. ..	443,000	328,000	30,000	66,500	2,000,000	1,877,500
Cacao .. .. .	1,700,000	1,569,000	207,000	226,000	300,000	663,800

The exports to foreign countries of the principal products of the Ceylon market have increased in every case except tea, where there is a large decrease, and cinnamon, where there is a small one.

18. It remains true, as was stated last year, that though the British producer has had in many products to give way to the foreigner, the Ceylon producer had made still greater progress in foreign markets, to which Ceylon exports were two and a half times her imports from foreign countries.

### *Customs Revenue.*

19. The revenue derived from Customs dues in 1904 was the highest ever reached, surpassing that of 1903, the previous record, by Rs. 291,368-80. The following table shows the income from this source for the ten years beginning from 1895:—

*Gross Customs Revenue for the Ten Years ended 1904.*

Year.				Revenue.	
				Rs.	c.
1895	...	...	...	5,770,241	2
1896	...	...	...	5,550,971	65
1897	...	...	...	6,278,787	49
1898	...	...	...	6,714,625	82
1899	...	...	...	7,101,851	73
1900	...	...	...	7,620,432	29
1901	...	...	...	7,446,807	26
1902	...	...	...	7,630,175	62
1903	...	...	...	8,043,062	94
1904	...	...	...	8,334,431	74

The increase in 1904 is mainly due to larger imports of kerosine oil\* (increase in duty of Rs. 229,046), grain (increase in duty of Rs. 40,314), cotton manufactures (increase in duty of Rs. 22,170), and other goods.

The chief articles contributing to the revenue in 1904 were—

—				Amount.
				Rs.
Grain	...	...	...	3,119,734
Spirits	...	...	...	986,647
Kerosine Oil	...	...	...	938,437
Sugar	...	...	...	594,545
Cotton	...	...	...	267,956
Tobacco	...	...	...	243,504
Wines	...	...	...	57,283

The cost of collection was 1·65 upon the total collections.

*Tea.*

The export of tea (158,000,000 lb.) is the largest yet recorded, being 8,702,097 lb. more than in 1903; but the value of tea exported has decreased, except in the case of exports to British Colonies, which show an increase of Rs. 1,700,000 worth. The decrease in value exported to the United Kingdom is Rs. 500,000, to foreign countries Rs. 1,900,000. This decrease is due to the fall in the average value of tea from 39 cents a pound to 36 cents in 1904. The average price of Ceylon tea in London was 7·17*d.* against 7·52*d.* in 1903. 5,394,849 lb. of green tea were exported as against 8,236,768 lb. in 1903. The decrease is said to have been due largely to the fact that in

\* The increase in duty under this head for the last four years amounts to Rs. 1,066,600.

1903, when shipments were large, the price of Japan tea was very high, and Ceylon was then able to supply Canada with a green tea suitable to the requirements of a large percentage of the trade at a price much lower than the charge made for a similar quality of tea from Japan. It was believed that the war would still further send up the price of Japan tea. This was not the case—buyers in Canada became stocked with Ceylon green tea and stopped further purchases. Stocks began to accumulate in Colombo, the market became depressed, and a number of estates making green tea went back to the manufacture of black. The exports are, however, more than double those of 1902, and in all probability more Ceylon green tea was actually consumed in 1904 than in 1903. There was a large increase in the quantity of green tea exported to Russia, though there was less demand for the tea in the United Kingdom, Canada, and the United States of America.

It was pointed out in 1903 that an interesting and hopeful feature in the development of the Ceylon tea trade in recent years has been the successful exploitation of new markets and the consequent relief in the strain on the home market. In 1895 out of a total tea export of 98,581,060 lb. only 12,186,532 lb. were diverted from London. In 1903 no less than 52,000,000 lb. went to other countries out of a total export of 149,000,000 lb. In 1904 53,670,413 lb. went elsewhere than the United Kingdom. But in some cases there appears to be a disappointing set-back. There was a decrease of 2,430,473 lb. in the quantity exported to Russia in Asia, and 2,904,114 lb. less were taken by China, and most of this tea finds its way into Russia. But on the other hand there was an increase of 2,930,382 lb. exported to Russia in Europe, and the total for the Russias shows an increased export of 226,660 lb. of black tea and 273,269 lb. of green tea, though there is a total decrease in value of Rs. 124,606, due to the fall in the average value by 3 cents a pound.

There was a decrease of 1,316,641 lb. on the quantity of tea exported to the United States of America; the decrease was confined to green tea, of which 1,925,998 lb. less were exported, while the export of black tea increased from 3,403,566 lb. to 4,012,923 lb. There were also decreases in export to other foreign countries in Asia by 291,219 lb. (black tea only), to South Australia by 287,907 lb. (black tea only), and to Canada by 96,112 lb. (increase of black tea by 1,000,000 lb., decrease in green tea by 1,100,000 lb.).

There were, however, considerable increases in the exports to New South Wales (increase 2,324,425 lb.), Victoria (1,415,836 lb.), Germany (554,963 lb.), British India (491,133 lb.), New Zealand (346,916 lb.); there were also considerable increased exports to Queensland, West Australia, Belgium, Egypt, and France; in all these cases the increase was in export of black tea.

The Ceylon Commissioner at St. Louis, Mr. Stanley Bois, and his assistants made a very successful start with the Ceylon Court at that Exhibition, and the Ceylon tea trade in America is undoubtedly obtaining an excellent advertisement. Work in other parts of America in co-operation with the Indian tea cess will probably open new markets. The duty on tea remained the same throughout the year.

(B.) MINES, MANUFACTURES AND FISHERIES.

*The Pearl Fishery.*

A pearl fishery in 1904 was at one time unexpected. It was reported after the inspection in November, 1903, that there were no fishable oysters on the banks. A further inspection was made in December, 1903, by the Assistant Government Agent, Mannar, and the Marine Biologist in the dredging steamer "Ready." Oysters were found on the South-West Cheval Paar, and a sample of 3,000 was lifted and washed, giving a valuation of Rs. 26·67 per 1,000.

A further inspection of the banks was made in February by Mr. Hornell, the Marine Biologist, who had been appointed Inspector of Pearl Banks. The results confirmed the December discovery, and it was decided to advertise a fishery to commence on or about the 14th March.

The fishery, of which Mr. Lewis, Acting Government Agent, Northern Province, was Superintendent, commenced on 15th March and lasted until 23rd April. 41,039,085 oysters were lifted, of which 27,470,210 were sold as Government share, bringing in Rs. 1,054,694·75 to Government—the record amount obtained from a pearl fishery during the nineteenth or twentieth century.

The total receipts of the fishery, which include, besides sale of oysters, revenue by Postal and Telegraph Department, rents of boutique sites, and arrack and liquor licenses, amounted to Rs. 1,070,467·45.

The fishery of 1904 takes first place among all recorded fisheries. The largest revenues obtained from pearl fisheries are:—

Year.				Value.
				Rs.
(1)	1904	...	...	1,070,467
(2)	1814	...	...	1,051,867
(3)	1891	...	...	963,748
(4)	1808	...	...	842,577
(5)	1903	...	...	829,348°

\* Exclusive of Postal revenue.

From the 19th to 23rd March over 3 lacs of rupees were taken. The price given for the oysters was very high throughout the fishery, the average price per 1,000 being Rs. 38.39; the average in 1903 was Rs. 29.72. The largest purchasers at the auctions were from Southern India, and they purchased nearly 25 million out of the 27½ million oysters sold. Ceylon took only 2,376,000 oysters, a London pearl merchant 16,000, and a trader from Mecca 22,000. The oysters fished in 1904 were said to be very rich in quantity of pearls, though the quality was not up to the standard of 1903.

As in 1903, though there were at one time 20,000 people in the Pearl Fishery Camp, there was no attack of any serious illness, and very little crime.

Alternative methods of obtaining the oysters at a less expensive outlay than is at present involved in allotting one-third of the oysters raised to the divers were again considered. The dredging steamer "Ready" was at work on the banks during most of the fishery; her largest hauls did not exceed those of the biggest Tuticorin diving boats.

On the results of his inspection immediately before and after the fishery the Inspector of Pearl Banks reported that there ought to be excellent fisheries in 1905 and 1906 upon the Cheval and Moderagam Paars; beyond 1906, or at latest 1907, a break in the fishery cycle is likely.

After the inspection in November the Inspector was hopeful of a more prolonged series of fisheries, anticipating a small fishery on the south and south-east section of the Cheval Paar in 1907, and fishing on the "north and central thirds of the Cheval Paar" in 1908 and 1909.

To ensure future fisheries it was recommended that spat should be transplanted from the most exposed parts of the bank to more sheltered paars, and at the same time "cultch," or materials for making a bottom suitable for the reception of young oysters, should be laid down on likely spots. It was not found possible to carry out any special measures for the culture of the banks in 1904, but arrangements were made for extensive experiments in 1905.

In October the steamer "Violet," which was previously used for fish trawling, was purchased by Government for use on the banks, the block barge "Ready" being no longer available, and the "Violet" being considered more suitable both for trawling and dredging experiments. Together with the experiment in obtaining the oysters by dredging it is hoped to combine a system of washing the oysters by machinery to enable Government to put pearls instead of oysters on the market, and thus obtain the profits which the oyster-buyers now realise at fisheries.

Mr. G. G. Dixon had been at work on a process for washing oysters by machinery in 1903; this he patented in 1904. It

was decided to secure the services of Mr. Dixon and erect the necessary machinery at Marichchukkaddi to allow him to continue his experiment, the patent to become the property of the Ceylon Government.

Mr. Dixon was engaged from March to the end of the year in erecting the machinery, which was first used for washing oysters at the November inspection. The machinery will be thoroughly tested at the fishery of 1905, when it should be possible to ascertain whether it will pay Government better to bear the expenses of washing the oysters to obtain the pearls, and then sell them, than to continue the present system of selling the oysters and taking no part in the pearl trade.

### *Mineralogical Survey.*

The most important discovery connected with the Mineralogical Survey was that of the occurrence of thorium-bearing minerals in Ceylon. Of this the most important is thorianite, a mineral new to science, and containing 70 to 80 per cent. of the rare earth thoria, which is used for the manufacture of incandescent gas mantles.

The Government was informed that £30 per cwt. was being offered in England for thorianite containing from 70 to 72 per cent. of thoria. With a view to encouraging further search for this valuable mineral a notice was published giving the above particulars and also stating the places where thorianite and thorite had been found. Intending prospectors were informed that Government would for three years undertake to levy no royalty on this mineral, except in the case of extraction from Crown lands, where the permission to wash will be by agreement on liberal terms.

There is a large area, including all the Province of Sabaragamuwa and part of the Central, Western, and Southern Provinces, where the mineral may be looked for. Search is now being made in many localities; it is not possible to say at present how far a regular supply can be anticipated.

About 140 lb. of thorianite, which were received from Mr. W. D. Holland, who first obtained this mineral, were sent to the Crown Agents in November, and were sold by Professor Dunstan of the Imperial Institute for £95 2s. 4d. Professor Dunstan is taking further steps to obtain reports on the commercial value of the sample sent to him and for supplying such further information as may lead to more discoveries. The Mineralogical Survey were further engaged in examining the gemming districts in Sabaragamuwa and the Southern Province, in investigating discoveries of corundum and of heavy minerals containing rare elements, as for example allanite and several minerals belonging to the Samarskite group.

*Salt.*

The salt production in 1904 was satisfactory. The outturn of the year was up to the average of prosperous years. The efforts to stimulate production initiated in the previous year were materially helped by fine weather. Large supplies were produced in Puttalam, Hambantota, and Trincomalee, which are the chief centres of the salt industry in the Island. The "maha" collection at Puttalam was very successful; nearly 300,000 cwt. of salt were manufactured, of which about 165,000 cwt. were brought into store within the year. The stores at Hambantota and Trincomalee were also well stocked during the year.

It was, however, necessary to continue the importation of salt from India to meet demands during a greater part of the year; the new salt could not be made available for immediate consumption, and it was desirable to hold in stock a supply of some months' consumption. Approximately 130,224 cwt. of imported Indian salt were sold during the year at stores specially established in Colombo, Galle, and Haputale, and satisfactory financial results were obtained.

At the end of the year the stock of salt was approximately 340,000 cwt., or equal to nine months' consumption, the year's consumption being reckoned on the average of 450,000 cwt.

(C.) AGRICULTURAL INDUSTRIES AND BOTANICAL STATIONS.

It was decided at a public meeting on the 28th October to form a "Ceylon Agricultural Society," to be controlled by a Board of Agriculture, to which members of the Executive and Legislative Councils and the heads of the Scientific Departments should belong, together with members of the Society from each Province to be nominated by the Governor.

Considerable interest has been aroused in the Society—the membership at the commencement of 1905 was over 200—and the correspondence on all agricultural subjects and from all classes of the community is considerable.

It is the object of the Society to bring the work of the Botanic Gardens into close touch with the small cultivator by distributing the information obtained at Peradeniya as widely as possible, while assisting its dissemination by practical experiment and assistance.

Local branches were formed in different parts of the Island.

A vote of Rs. 30,000 will be placed at the disposal of the Board in 1905 for necessary expenditure.

The first experimental cultivation inaugurated by the Board was ground-nuts; 1,414 kilos. of ground-nut seed were obtained from Mauritius and distributed to members of the Society.

Leaflets giving particulars of the cultivation in the vernaculars were widely distributed, and cultivators informed that an officer from Peradeniya would visit all experimental plots to give such assistance as might be required.

Considerable experiments with different varieties of ground-nuts were made at the Experiment Station, Peradeniya. It was found that it was possible to obtain a yield of fifty- to eighty-fold, which means approximately 1,100 to 1,700 lb. per acre per crop of the Mauritius variety. Samples sent to England have been valued at prices varying from Rs. 110 to Rs. 210 per ton.

Experiments are to be made in cotton, new varieties of paddy, date palm, and other products, and in the improvement of live stock.

The work of the Society is not confined to the dissemination of new products and new methods; it is also concerned with the improvement and development of local industries.

The paddy crops were seriously damaged in the Northern and Central Provinces by the ravages of a caterpillar called the "arakkodiyan" (Tamil, meaning, all-destroying); in two districts of Jaffna 3,000 and 800 acres of paddy respectively were destroyed by the ravages of this pest. Instructions issued by the Government Entomologist after inspection of these devastated areas were widely distributed in the vernaculars by the Agricultural Society.

The chief agricultural products of the Island are:—Paddy, tea, cocoanut, cacao, tobacco, and spices.

The area under paddy increases slowly; in spite of the restoration of large irrigation works, the total acreage cultivated in 1904 is less than that cultivated in 1871, while the amount of rice imported increases per head of population. The figures for the census years 1871, 1881, 1891, 1901, and for 1904 are given below:—

Year.	Rice Imported.	Population.	Average Import per Head of Population.	Number of Acres under Paddy.
	Bushels.	Number.		
1871	4,383,227	2,405,287	1·82	777,622
1881	5,943,578	2,763,984	2·15	553,192
1891	7,051,432	3,008,466	2·36	563,421
1901	8,951,650	3,565,954	2·51	670,433
1904	9,560,321	3,565,954	2·68	711,336

The explanation of the very slight increase in the number of acres under paddy, considering the large expenditure on irrigation, is partly to be found in the fact that many of

the new irrigation works irrigate districts which are at present uninhabited, and have been constructed as natural auxiliaries of the Northern Railway Extension, which it is hoped will bring the population with it.

Further, the paddy cultivators are the most conservative in the Island, and unless they are prepared to adopt rotations of crops better results than those obtained to-day are not likely to result; restored irrigation works will mean added security to the village cultivator against the risk of losing his crop for want of water, rather than added wealth from the opportunity of extending that crop and cultivating it more frequently, unless he is taught to realise and take advantage of the opportunities afforded.

The industry which attracted most attention during 1904 was rubber. The value of rubber exported increased from Rs. 85,000 in 1903 to Rs. 221,000 in 1904.

The area under rubber is now estimated to be 25,000 acres, while experiments are being tried all over the Island by European and native estate owners.

The prices realised have been very high, reaching over Rs. 6 per lb. on two occasions.

The rubber has been mainly planted in conjunction with other crops, such as tea or cacao, and rarely as a single product.

Para rubber has generally been planted, but the high price obtained for ceara and the satisfactory growth of ceara and castilloa in districts not suitable for Para has revived interest in these varieties.

Tea has not suffered in yield, or been more subject to disease than in former years. The export of black tea during 1904 was the largest on record. The decrease in the export of green tea is referred to above.

Cocanuts.—The value of total exports of the products of the cocoanut palm amounted in 1904 to Rs. 24,409,000; in 1903 the value was Rs. 25,883,000.

There was a decrease in the export of oil and poonac, but cocoanut and copra show an increase.

There is reported to have been a very large extension of cocoanut plantations in the North-Western Province, the extent having increased from 317,815 acres in 1903 to 355,037 acres in 1904.

Cacao.—The value of the cacao exported increased from Rs. 2,248,000 to Rs. 2,448,000. The yield has been larger, but the price was lower than in 1903.

The low value of cacao from Ceylon is mainly due to the mixed nature of the purple and white seeds; the Botanic Department issued a circular during the year pointing out the probable cause and suggesting better varieties for cultivation.

The results obtained at Peradeniya during the last two years have been useful in showing planters how to eradicate disease and increase the yield.

There was an increase in the value of citronella oil exported (1904, Rs. 891,500; 1903, Rs. 692,100).

The Director reports that the adulteration of citronella can now be dealt with, as the Department possesses pure samples in large quantities distilled at the Experiment Station.

Various experiments have been carried out with citronella and lemon grass at an elevation of 1,500 feet, and the results show the possibility of cultivating these products in districts hitherto disregarded.

The cultivation of pepper, coca, and camphor has increased slightly and the export of cinchona has decreased during the year.

Cardamoms, though over 1,000 cwt. more have been exported than in 1903, have been sold at unremunerative prices, and with a view to exploiting new markets the planters have agreed to an export cess of 1 cent. per lb. to provide the necessary funds.

In addition to the cultivations above-mentioned, the important experiments at Maha Illuppalama in cotton cultivation have been continued. The main object of the experiments has been to determine which varieties can be profitably grown with and without irrigation in the North-Central Province.

Several varieties, such as the Tinneveli, Sea Island, Egyptian, and Uplands, have been tried. Altogether there are about 60 acres of different kinds of foreign cotton, all growing well, the best being found to be the Sea Island.

Experiments in cotton cultivation have not been confined to Government; in the North-Western Province considerable experiments have been made by native landowners.

At the end of the year a notice was issued by Government offering specially favourable terms to applicants for lease of land for cotton and rubber cultivation, all applications to be sent in before the 1st July, 1905, the lease to be for fifty years, at a minimum rate of 50 cents per acre, or Rs. 2.50 per acre if the land is irrigable from a Government tank.

Experiments have also been made by the Botanic Department in castor oil, peas, Indian corn, maize, and green manures.

The work of the Department of Royal Botanic Gardens is being continuously brought more into touch with the planting industries, which are every year more scientifically conducted. Lectures and Departmental Circulars on new products, results of experiments, symptoms of various plant diseases and pests, hints as to their eradication, reports on specimens and seeds, methods of preparing and tapping rubber, new instruments,

&c., are increasingly demanded, while further information is obtained by co-operative experiments, which are now assisted by the Agricultural Society and by the work of the school gardens.

Through these gardens a great increase is obtained in the quantity and quality of vegetables grown in the villages. The garden is the local experimental centre, and children are now being encouraged to start "home" gardens with seed procured from the school.

A Commission met during the year to consider the question of legislation against the spread of plant diseases.

#### (D.) LAND SETTLEMENTS, &c.

The area brought under the operation of the Waste Lands Ordinances in 1904 came to 104,267 acres, and the area settled to 76,497 acres. Almost all the work was done in the villages, and allowed of personal inspection of the lands by the Settlement Officer.

In 1904 38,756 acres of land were alienated by the Crown by sale or settlement, as against 27,829 acres in 1903. The amount realised was Rs. 809,264.50, or an average of Rs. 20.88 an acre.

Of the above amount 3,480½ acres of irrigable land were sold in 1904 under "Sir Henry Ward's Minute," which provides for payment in four annual instalments. Of the balance 35,276 acres, 31,164 acres were purchased by natives and 4,111 acres by Europeans.

During the year the operations of the Survey Department comprised block surveys of 198,383 acres, topographical surveys of 536,320 acres, and application surveys of 33,864 acres, or a total of 768,567 acres.

#### (E.) SHIPPING.

The total number of vessels and tonnage which entered at and cleared from ports in the Island during the years 1903 and 1904, exclusive of those calling to coal, are as follows:—

Inwards.			Outwards.		
Year.	Number.	Tons.	Year.	Number.	Tons.
1903	3,452	5,184,690	1903	3,457	5,132,048
1904	3,719	5,646,016	1904	3,725	5,580,583

The arrivals at the Port of Colombo in the year 1904 numbered 1,966 steamers aggregating 5,142,562 tons, and 503 sailing vessels aggregating 53,260 tons, showing an increase in steamers of 89 vessels aggregating 451,542 tons, and in sailing vessels a decrease of 5 vessels, but an increase in tonnage of 4,994 tons as compared with the preceding year.

595 vessels called to coal at Colombo,\* 81 at Galle.

1,728	vessels	from the	United Kingdom
1,477	„	„	Colonies
172	„	„	Germany
124	„	„	France
6	„	„	Russia
5	„	„	Japan

entered at ports in Ceylon in 1904.

The number of Russian vessels in 1903 was 47, of Japanese 69; the decrease was, of course, due to the war.

#### *Colombo Harbour Dues.*

The total collection of Harbour Dues at Colombo during the year 1904 amounted to Rs. 1,199,126·84, an increase of Rs. 50,936·09 over 1903. The increase was principally under the heads of "Entering Dues" and "Tonnage Dues." The total is the largest yet collected. The total collections up to the end of 1904 since the Harbour Revenue was established in 1883 amounted to Rs. 16,438,915·19.

In 1884 the total Harbour Dues collected amounted to Rs. 379,078·23.

In 1894 the collections totalled Rs. 706,722·96.

In 1904 the collections totalled Rs. 1,199,126·84.

The following statement shows the number and tonnage of vessels calling to coal at Colombo and the entering dues paid in 1884, 1894, and 1904 respectively.

Year.					Vessels.	Tons.	Entering Dues.
							Rs.
1884	...	...	...	...	135	217,415	12,955
1894	...	...	...	...	369	696,583	39,240
1904	...	...	...	...	595	1,373,484	65,995

The above figures give some idea of the rapid growth of the port.

\* In 1884 135 vessels and in 1894 369 vessels called to coal in Colombo.

## III.—LEGISLATION.

The chief enactments of the year were as follows:—

Ordinance No. 3 of 1904 amended the law relating to corporal punishment by the reduction of the maximum number of strokes with a rattan, which may be inflicted in the case of boys between the ages of 12 and 16, from twenty-four to twelve.

Ordinance No. 8 of 1904 gives effect to the recommendation of a Commission appointed to inquire and report whether special legislation was required to prevent thefts of cacao. The Commission considered the evil a serious one, against which the ordinary criminal law was of little avail, and that drastic measures were necessary to put down the evil. Accordingly provision was made for a system of licensing dealers in cacao subject to certain restrictions, no one being permitted to buy cacao except for domestic use unless he was a licensed dealer. The principal restrictions on dealers are that they can only buy on licensed premises; they are forbidden to buy between sunset and sunrise or from children under the age of 12 years, and in no circumstances are they allowed to buy what is termed in the Ordinance "wet cacao" that is, cacao in the pod or cacao beans so fresh as to be partly or wholly covered with pulp. Dealers are obliged to keep books showing the amount of cacao brought into their stores and issued therefrom, and their premises are open to inspection by certain authorised persons.

The other main object of the Ordinance is to compel persons to give an account of cacao reasonably suspected to be stolen. This provision is restricted to "wet cacao."

Ordinance No. 11 of 1904 was enacted with a view to protect the public from danger arising from the use of shooting ranges. The Ordinance provides for the framing of such by-laws as may be necessary, and applies to any military land appropriated for the purpose of a rifle range, an artillery range, a school of gunnery, or any purpose incidental thereto.

Ordinance No. 12 of 1904 introduced two changes in the law relating to the administration of estates, the first of which is of considerable importance.

- (1) It declares that the provisions of section 547 of the Civil Procedure Code apply only to cases where the intestate died after the Code came into operation. By this amendment omission to take out administration in certain cases where the intestate died before the Code came into operation does not affect title, while omission to do so now does.

- (2) It provides for the appointment of a fit and proper person to take charge of the property in Ceylon of minors and wards who are not resident in the Island, and also for the appointment of an administrator to the estate and effects of a mortgagor who has died out of Ceylon, notwithstanding that the mortgagor at his death was not possessed of property in Ceylon.

As it was apparent that the provisions of "The Petroleum Ordinance, 1887," which governed the storage and transport of petrol and other like substances, could not be applied without unnecessary inconvenience to the public who used petrol for the purpose of motor cars and similar vehicles, it was decided to pass Ordinance No. 14 of 1904, which empowers the Governor in Council to make special regulations with regard to the keeping and use of petrol, &c., when used for motor cars, motor cycles, and launches.

The system in force in India of identifying criminals by means of finger impressions was introduced into Ceylon by amending "The Ceylon Evidence Ordinance, 1895," by Ordinance No. 15 of 1904.

Ordinance No. 19 of 1904 declares the principle upon which the nett receipts of the Ceylon Government Railway are to be ascertained for the purpose of "The Defence Contribution Ordinance, 1898." It provides that for the purpose of this Ordinance the railway revenue shall represent the gross receipt of the Ceylon Government Railway less (a) maintenance charges, (b) interest and sinking fund on loans borrowed for railway construction and extension, and (c) an amount equal to 4 per cent. per annum on the capital expenditure on railway construction and extension contributed from current revenue and surplus balances for a period of fifty years from the 1st January, 1904, in respect of past contributions, and upon all future contributions for a period of fifty years from the date of each of such contributions. This Ordinance was enacted in compliance with a despatch from the Secretary of State.

## IV.—EDUCATION.

In last year's report it was decided to abandon the distinction between primary and secondary education in Ceylon which it was attempted to draw by distinguishing between those English schools which confined their work to the schedules of the Code and those which also prepared pupils for such examinations as the Cambridge Local and the London University Matriculation, and which were accordingly classed as high schools. In fact, the latter were really of the same class as the elementary schools, and the main part of their work was carried on in accordance with schedules based closely on those of the earlier English Codes for elementary schools. All English schools except the high schools were dealt with under the head of "Primary Education." The vernacular schools really constituted the primary education of the country.

The distinction between primary and secondary education has been, therefore, abandoned for the distinction between vernacular and English schools. English is a foreign language to all but a very small portion of the population. The Sinhalese form 65·3 of the total; the Tamils and Tamil-speaking Moors 33·1; the Europeans, Burghers, and Eurasians together form a little less than 1 per cent. of the population, to whom may be added a few of the best educated Sinhalese and Tamil families, who have adopted English as their "home" language.

## (A.) VERNACULAR EDUCATION.

The number of Government vernacular schools and their attendance for the last three years is as follows:—

Year.	Number of Government Schools.	Attended by		Number of Aided Schools.	Attended by	
		Number of Boys.	Number of Girls.		Vernacular Boys.	Vernacular Girls.
1902 ...	495	44,457	10,878	1,249	71,659	36,138
1903 ...	497	44,631	11,132	1,273	76,619	37,707
1904 ...	507	46,785	11,678	1,316	77,700	39,103

The figures for 1904 as compared with the previous year show an increase of 53 in the number of schools, of 3,235 in the number of boys in the list and of 1,942 in the number of girls.

The total sum spent by Government on vernacular education was Rs. 627,043·81, of which Rs. 237,481·44 was expended on

Government schools and Rs. 389,562·47 on aided schools. The increased expenditure as compared with 1903 was Rs. 10,435·23.

In addition to the above there were 1,757 unaided schools (almost all of them vernacular) which furnished numerical returns to Government. In these 40,477 children were said to be receiving instruction, but the figures furnished by these schools are not always reliable, and the amount of education imparted varies considerably.

The cost of educating a child in (a) a vernacular Government school is less than it was in 1884, but more than in 1894.

The figures are:—

Cost in			Amount.	
			Rs.	c.
1884	...	...	4	45
1894	...	...	3	79
1904	...	...	4	6

In (b) a grant-in-aid school it is increasing. The figures are:—

Cost in			Amount.	
			Rs.	c.
1884	...	...	2	21
1894	...	...	2	71
1904	...	...	3	32

The question whether the educational provision for Ceylon is sufficient has been discussed in the Imperial Parliament in 1903 and in 1904. The answer is that, though the provision is not as yet sufficient, steady progress is being made. The total number of pupils attending schools of all classes during the last five years is as follows:—

Year.			Number.
1900	..	...	208,274
1901	...	...	218,479
1902	...	...	226,407
1903	...	...	238,259
1904	...	...	246,382

The deficiencies were in 1903 classified under three heads, which apply equally well in 1904:—

(a) The education of girls:

A very difficult problem in the East. There has been a marked increase in the number of girls educated in English, Anglo-vernacular, and vernacular schools. In 1884 the figures for girls\* were 21,083, in 1894 33,692, in 1904 56,480. It is estimated that about 26 per cent. of the female population of the country get something in the way of education, and this may fairly be considered a high percentage for the East.

(b) The Colombo Municipality:

A Committee was appointed by the Municipality in 1903, which reported in favour of establishing one school experimentally.

The Council has applied to Government for the necessary power to do this, and an Ordinance is being prepared which will give to Municipalities and Local Boards the power to establish vernacular schools and compel attendance at them.

(c) Certain rural districts—*e.g.*, the Province of Uva and the North-Central Province, the Kurunegala and Puttalam Districts of the North-Western Province, the Mullaittivu District, and the inland portions of the Northern and Eastern Provinces:

Among these country districts the one which most urgently calls for early measures is the Kurunegala District of the North-Western Province, much of which is a populous country growing rapidly in prosperity. The rest consist for the most part of sparsely populated areas. In the North-Central Province a population of 79,110 persons is spread over 4,002 square miles, and in the Magam pattu in the Southern Province there are only 7,636 persons to 641 square miles. There are parts of these districts which can never be dealt with in a completely satisfactory way, and in most of them the only chance of efficient action is the establishment of a largely increased number of Government or Gansabhawa schools.

The Gansabhawa schools, or schools carried on by the Village Council, have only recently been started; they are still in the experimental stage, and the experiment is being tried in two distinct forms:—(1) In Tamankaduwa, an isolated but compact district of the North-Central Province, which was entirely unprovided with schools, the local authorities in 1899 tried the experiment of starting elementary schools of the cheapest possible form, supported by Gansabhawa funds and supervised by the native Revenue Officer of the district. In addition to the support received from Gansabhawa funds a lump-sum grant of Rs. 1,000 has been allowed annually to the district to be utilised by the Revenue Officer for the support of these schools,

\* Girls attending the unaided schools are not included, as the returns do not give them separately.

of which there are now twenty, attended by 755 children. (2) In Uva and the North-Western Provinces the experiment is being tried in a different form. Schools have been established by the Gansabhawas which are to be registered as aided schools and examined for grant in the usual way; four of these schools are now working in Uva and two in the North-Western Province. They are more ambitious institutions than the schools of Tamankaduwa, being placed under certificated teachers and worked in accordance with the Code for Aided Schools. It remains to be seen whether they can be permanently carried on by the aid of the Government grant, and whether, when managed in this way, they will really cost less than Government schools of the ordinary kind.

### (B.) ENGLISH SCHOOLS.

In 1904 there were 220 English and Anglo-vernacular schools, attended by 30,639 pupils—24,940 boys and 5,699 girls. As compared with 1903,\* these figures show an increase of 7 schools and 2,274 pupils. In the majority of these schools the work is confined to the schedules of the Code, but there are many in which the upper classes are prepared for the Cambridge Local Examinations, Senior and Junior, and a few in which the work of the most advanced students reaches a much higher level. In 1904 692 candidates entered for the Cambridge Local Examinations. For the Senior Local there were 257 candidates, of whom 224 were boys and 33 girls; of these, 105 boys and 25 girls succeeded in gaining certificates, 9 boys and 4 girls obtaining honours. For the Junior Local there were 436 candidates—346 boys and 90 girls; certificates were obtained by 158 boys and 37 girls, honours by 20 boys and 1 girl.

The rapid development of English education is shown by the fact that the number of pupils attending English and Anglo-vernacular schools has increased from 16,817 in 1894 to 30,639 in 1904.

The only Government institution devoted to higher education is the Royal College, at which in 1904 there were 298 pupils, with an average attendance of 281. The pupils in the upper part of the College are prepared for the Cambridge Local Examinations and for the special examination which is held for the English University Scholarship. The staff consists of 17 masters, 5 of whom hold English University degrees. The gross cost to Government in 1904 was Rs. 43,312·69, of which a sum of Rs. 18,937·25 was recovered in school fees. The other institutions in which anything that can fairly be described as higher education is given are, with two exceptions, registered as aided schools under the Code. The two exceptions are (1) the Jaffna College, which is supported entirely by the American

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\* The figures given in the Blue Book Report for 1903 were for English schools only, and did not include Anglo-vernacular schools.

Mission, and affiliated as a first grade college to the Calcutta University; and (2) the Church Missionary Society's Ladies' College in Colombo.

The encouragement offered by Government takes two forms—(a) Grants, (b) Scholarships.

(a) In aided English schools grants for specific subjects as well as for work in the standards are paid on the results of the Government examination in each school. Liberal grants are also paid for every pupil who obtains honours in the Cambridge Local Examinations, or who passes the London University Matriculation Examination or Intermediate Examination in Arts. The total sum expended in grants to English schools was Rs. 131,591·59, an increase of Rs. 10,000 on the amount granted in 1903.

(b) The English University Scholarship of £200 per annum for four years is awarded annually on the results of a special examination held for the purpose by the Oxford and Cambridge Joint Board for School Examinations. Negotiations are in progress, with a view to awarding this Scholarship on the Intermediate Examination in Arts and Science of the London University. One scholarship of Rs. 240 per annum for three years is awarded annually to girls on the results of the Cambridge Senior Local Examination.

On the results of the Cambridge Junior Local Examination one scholarship of Rs. 240 for three years and two of Rs. 120 for two years are awarded annually to boys, and two scholarships of Rs. 120 for three years are awarded annually to girls.

The total sum expended in scholarships in 1904 was Rs. 21,968·67, or Rs. 6,800 more than in 1903.

#### (C.) TRAINING OF TEACHERS.

In January, 1903, a Government Training College for English teachers was started. For many years previous to this there had been no provision for the training of English teachers either on the part of Government or on the part of managers of aided schools. The new institution is specially intended to meet the wants of the aided English schools, in many of which the teaching has been of a very inferior order. Twelve studentships of the annual value of Rs. 300 each are provided by Government. Two small vernacular training schools which were carried on at Colombo and Kandy are now combined with the new Training College, which thus has a vernacular, as well as an English, department.

To these was added in 1904 an Anglo-vernacular class for the training of teachers employed in the Government Anglo-vernacular schools.

An English boys' school and a vernacular boys' school are worked on the same premises, and serve as practising schools for the two departments. Training schools for vernacular teachers are also carried on by most of the Ceylon Missionary bodies. These receive a liberal grant under the Code for Aided Schools.

#### (D.) TECHNICAL AND INDUSTRIAL EDUCATION AND SCHOOL GARDENS.

Higher technical education is provided for by the Technical College, a Government institution established in 1893. In 1897 it was reorganised and its work largely extended. It is now the regular channel of admission of Ceylonese to the following Departments of Government:—Public Works, Survey, Railway, Post and Telegraph; it contains Departments of Civil Engineering, Mechanical Engineering, Electrical Engineering, Telegraphy, Surveying and Levelling. In 1904 the number of students was 150—a decrease of 22 from 1903, due to a special class for drawing and art for teachers having been held in that year, and the gross cost to Government was Rs. 39,522·51, of which Rs. 4,981·83 was recovered in fees and by sale of stationery, instruments, &c. New buildings, including extensive laboratories, have been erected.

There are no Government industrial schools, but industrial education is supported by a liberal grant. In 1904 the aided industrial schools, which are 37 in number, received grants amounting to Rs. 49,151·47. The number of pupils was 2,060, and the trades taught were as follows:—Dressmaking 147, carpentry 325, printing 107, bookbinding 153, shoemaking 28, tailoring 85, blacksmiths' work 10, lace-making 760, embroidery 407, cooking 3, and spinning 35.

The most important of these schools is the Maggona Certified Industrial School, which is utilised by Government as a reformatory, and carried on by the Roman Catholic Mission. This institution has an estate of about 300 acres and excellent buildings, to the cost of which Government has contributed. At the end of 1904 the number of juvenile offenders receiving instruction in it was 172; the trades taught are carpentry, ironwork, masonry, printing, bookbinding, and tailoring. Masonry, which was introduced two years ago, has proved a most successful trade, and those who have learnt it can usually find employment at once. Gardening was introduced in 1904. Of the 44 boys discharged in 1904, 23 were known to be following the trade learnt in the reformatory. An allowance is paid by Government for the maintenance of each juvenile offender; this is not included in the amount specified above as the grants paid for industrial schools. The total cost of the institution to Government in 1904 was Rs. 13,925·23.

Good work is also done by some of the other industrial schools, but it is doubtful whether in the case of those which draw their pupils from rural districts real benefit ensues. In Ceylon, where 88 per cent. of the population is rural, the technical and industrial education required for the main part of the population is one which will fit them for rural and agricultural life. An attempt is being made to supply this by the scheme for school gardens which is being carried on in connection with Government schools. There are now 73 Government schools in which gardens are being carried on under this scheme; an increase of 18 in the number in 1903. The seeds and implements are supplied by the Department, and the gardens are visited as often as possible by the Superintendent of School Gardens and his assistant. This scheme is being yearly extended.

Needlework in the girls' schools is a no less important matter, and this has been an extremely weak subject in all schools, Government as well as aided, which have not had a personal supervision of a lady manager. The defective work has been in a great measure due to the want of competent inspection. In 1903 Government decided to supply this by the appointment of an inspectress, who began work in January, 1904.

A Committee was appointed to consider the best means of extending the *teaching of elementary hygiene* in aided schools. It was decided that a series of simple and practical lectures on this subject should be given to a selected number of teachers at the Medical College by members of the Medical Staff. The teachers who passed a successful examination given in the subject are to give object-lessons at their schools.

### (E.) SCHOOLS FOR SPECIAL CLASSES.

#### *Estate Schools.*

Increased attention was again bestowed on the condition of estate education in Ceylon. The fact that there "were only 43 estate schools in 1903, of which 2 were Government schools and 41 were aided schools, on 1,857 estates"\* was pointed out by the East India Association and by Members of Parliament who interested themselves in the question.

It was at first thought that the number of schools would be increased if the regulations for obtaining Government grant-in-aid and registration of estate schools were clearly explained to the planters. A circular giving the information was issued

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\* The statement that there are 1,857 estates, though given general circulation, is very misleading. It is the number given in the Census Report, and includes all estates, cocoanut and cacao as well as tea estates. Under the Census Ordinance an estate means "an extent of 20 acres or more under cultivation upon which there are ten or more resident coolies or labourers." The number of estates registered as members of the Planters' Association is about 900.

by the Director of Public Instruction, and it was further suggested that estates might be combined into groups for educational purposes.

During the year there were 23 applications for the registration of new schools on estates; 8 new schools were actually examined for grant during the year and 9 others were registered for examination in 1905. At the end of the year there were, therefore, 58 aided schools and 2 Government schools. In the schools examined the number of pupils was 2,139, of whom 1,936 were boys and 203 were girls. The response to the Government offer of grants in aid is small. The reasons for this are—

- (1) To obtain the grant the school must have a session of three hours (except in the case of boys over 11), and this seriously interferes with the wage-earning power of the children, who are taken away from the estate work of plucking the tea bushes.
- (2) The planter has to bear a heavy initial expenditure, and before he gets it back in a grant he must wait sometimes for years.
- (3) The chance of losing the grant by coolies leaving before the examination.
- (4) Difficulties in obtaining suitable Tamil schoolmasters.

Mr. S. M. Burrows, C.C.S., late Director of Public Instruction, was instructed to make a special report on this question.

It appears from Mr. Burrows's report that more is being done for the education of the children of Tamil immigrants by the more prosperous and better educated of that community by means of "lines schools" than was generally supposed. In addition to the 2 Government schools and 58 aided schools there are 299 unaided schools—120 held in a building or room supplied by the estate and 179 held in cooly lines. From the answers received to circulars sent to 721 estates, representing the largest labour forces in the Island, it appears that out of 21,045 immigrant Tamil boys of school-going age 6,949 are receiving the rudiments of education. The number of children under instruction is 7,607.

It was recommended that the "lines schools" or local schools on the estates, which are in touch with the needs of this community, and afford the children a suitable education, should be assisted and developed by joint action between Government and the Planters' Associations. These recommendations together with the proposal to group estates for educational purposes, wherever there are favourable conditions, have been approved by the Secretary of State. The details will be worked out by the Committee which is to be appointed at the beginning of 1905 to consider the present state of elementary education in Ceylon.

## V.—GOVERNMENT INSTITUTIONS.

## (A., HOSPITALS.

Considerable progress was made during the year with the Victoria Memorial Eye Hospital, which is to commemorate the reign of Queen Victoria. It will be formally opened in 1905. The cost of this hospital has been borne half by public contribution and half by Government. A sum of over Rs. 200,000 has been expended.

During the year 1904 66 hospitals and asylums were open. In the 32 civil and lying-in home hospitals there were 40,091 cases treated, with 2,890 deaths, being 462 cases and 543 deaths less than in 1903. The daily average sick was 1,560·03 against 1,553·53 in 1903. In the eight field hospitals there were 4,225 cases treated, with 151 deaths, against 4,105 cases treated, with 129 deaths, during the previous year. The number treated in the three immigrant hospitals was 1,471, with 73 deaths, against 1,318 cases, with 63 deaths, in 1903. In the 20 district hospitals 12,739 cases were treated against 13,081 in 1903. There were 1,574 deaths against 1,859 in the preceding year.

*General Hospital, Colombo.*

The total number of patients treated at this institution during the year was 13,657, with 958 deaths, against 14,605 cases and 1,138 deaths in the previous year. Of the total treated, 421 remained from the previous year and 13,236 were new admissions, 12,254 were discharged, and there remained 445 under treatment at the end of the year. The daily average sick was 479·64, and the percentage of deaths to total treated was 7·01. The institution consists of twenty-five wards and eight solitary rooms, and the number of beds is 425. The new administration block with quarters for the medical and nursing staff was nearly completed at the end of the year.

In the paying section, which consists of 20 wards with 44 beds, the total number of patients treated was 575, with 56 deaths, against 523 cases and 55 deaths in 1903. The daily average sick was 28·54 against 26·34 in 1903, and the percentage of deaths to total treated was 9·5 against 10·51 in 1903. Two fully trained nurses and a matron were appointed and assumed duties in July.

*De Soysa Lying-in Home.*

The total number of patients treated at this institution during the year was 776 against 818 in 1903. The daily average sick was 16·9. The percentage of deaths to total treated was 1·3 against 2·12 in 1903.

The number of Mohammedan patients is increasing every year; 28 were admitted in 1904.

In the Lying-in Home 21 pupil midwives received training in 1904, of whom 13 obtained certificates after passing a satisfactory examination.

A new scheme to train selected pupils from all provinces has been adopted with the hope of introducing European midwifery into the villages. Eleven pupils were trained and sent out during the year.

*Lady Havelock Hospital.*

In this institution 1,159 patients were treated against 1,137 in 1903; 322 were children (135 boys and 187 girls). There were 46 operations performed, with one death.

*Police Hospital, Colombo.*

845 patients were treated in the Police Hospital, of whom 834 were discharged after treatment, one died, and 10 remained at the end of the year.

*Grenier Eye, Ear, and Throat Infirmary.*

7,848 cases were treated during the year against 6,602 in the previous year.

*Kanatta Infectious Diseases Hospital.*

Twenty cases of infectious diseases remained from the previous year and 720 were admissions, making a total of 740, as against 327 in 1903. Of these, 701 were discharged cured, 11 died, and 28 remained. The death-rate was 2·82 per cent. against 2·30 per cent. in 1903.

*Dispensaries.*

490 dispensaries, including branch institutions and visiting stations, were in operation. Of these, 313 were civil, 46 district, and 131 estate. In the civil and district dispensaries there were treated 948,386 persons, who paid 1,454,367 visits, against 921,422 persons, who paid 1,434,260 visits, in 1903.

(B.) MEDICAL INSTITUTIONS.

*The De Soysa Bacteriological Institute.*

The total number of specimens examined bacteriologically during the year was 1,628. Special investigations were made

on cerebro-spinal meningitis, diphtheria, and dysentery. Researches were also made on the hæmatozoa of vertebrates in Ceylon by the Director of the Bacteriological Institute (Dr. Castellani) in conjunction with Dr. Willey, D.Sc., F.R.S. The water supply of Colombo is examined bacteriologically once in three months.

### *Medical College.*

The College contains lecture halls, laboratories for chemical physiology, biology, and pathology, dissecting room, offices, photographic rooms, a Museum and Colonial Medical Library, and a separate building for lady students. Professor K. C. Browning has been appointed Lecturer in Chemistry and Public Analyst. Considerable additions will be made to the laboratories. There were 99 medical, 29 apothecary, and two casual, students at the end of the year.

### *Post Graduate Lectures.*

For the second year in succession a course of instruction lasting a fortnight was held in Colombo for Medical Officers at outstations to familiarise themselves with the most recent advances made in medicine, surgery, and bacteriology. Thirteen Medical Officers attended in 1903 and 11 in 1904.

## (C.) ASYLUMS.

### *Lunatic Asylum, Colombo.*

The total number of patients treated in the Asylum during 1904 was 666 against 634 in 1903. The daily average of patients was 576·34 against 488·37 in 1903.

In the House of Observation 139 persons were admitted, which, with four remaining from the previous year, gives a total of 143. The accommodation has now been taxed to its utmost, and extension of the buildings is necessary.

To admissions the recovery rate was 32·91 per cent. The percentage for males was 31·81 and for females 35·41. The death-rate was 7·35 per cent. of the number treated, due principally to tubercular affections. There were no cases of fatal injuries or suicide. One lunatic escaped, but was brought back.

There are four houses of observation for suspected lunatics at Colombo, Kandy, Galle, and Jaffna.

## (D.) POOR HOUSES.

There are no poor-houses. In Colombo and in most of the other large towns there are Friend-in-Need Societies, to which

grants are made by Government, and from these, supplemented by private subscriptions, much distress is relieved. In the district the revenue officers have small votes from which charitable allowances are paid in deserving cases. But the amount contributed by Government for the relief of the poor is very small when compared with the population and revenue of the Island. This is creditable to the people, who are always quick to relieve distress and to contribute liberally towards any relief fund. In the villages the principle of mutual aid and assistance is fully recognised, while recourse to any public form of charity by respectable persons is very rare. The feeling extends to admission to Government hospitals; in many districts it is very difficult to get villagers to send their sick to hospital.

#### (E.) REFORMATORIES.

The only reformatory is that at Maggona. The institution is managed by the Roman Catholic Mission, to whom the ground was given by Government, but youthful offenders are received irrespective of their religion. The average period of detention is about nine years; eighteen years being the limit of age at which the inmates are detained.

#### (F.) SAVINGS BANKS.

There are two Savings Banks under Government control.

(1) The Ceylon Savings Bank, which continued to make satisfactory progress. The amount to the credit of depositors, who now number 31,507—an increase of 667 from 1903—stood at Rs. 4,238,689. The amount of invested funds is Rs. 4,642,111, and the amount of deposits during the year was Rs. 1,644,573. The bank pays interest on deposits at rates of 3 and 4 per cent.

(2) The Post Office Savings Bank.—There was a considerable increase in the number of depositors in this bank. At the end of 1904 the number of depositors with open accounts was 60,884 against 58,121 at the end of 1903, or one depositor to every fifty-nine persons in the Island. The total funds to the credit of depositors was on the 31st December, 1904, Rs. 1,690,412 as against Rs. 1,605,041 on 31st December, 1903.

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## VI.—JUDICIAL STATISTICS.

## (A.) POLICE.

1. The authorised strength of the Police Department on the 31st December, 1904, was 1 Inspector-General, 4 Superintendents, 7 Assistant Superintendents, 27 Inspectors, 11 Sergeant-Majors, 16 European sergeants, 18 European constables, 210 native sergeants, 1,454 native constables, 26 Government clerks, 34 policemen clerks, 1 registrar of servants, 1 storekeeper, 10 coolies, and 1 apothecary.

2. The total cost of the Police for the year 1904 was Rs. 765,795 as against Rs. 753,312 in 1903.

3. During the year 243 recruits were enlisted, but, as usual, the demand is greater than the supply. On the 31st December the force was 44 short of the sanctioned strength.

## (B.) PRISONS.

1. The only two events of any importance that occurred during the year 1904 were (1) the separation of Mahara jail from the Convict Establishment—it has been placed under the immediate charge of a residential Superintendent; and (2) the closing of Puttalam jail.

2. There was a reduction of exactly one hundred in the total number of admissions of convicted prisoners to the prisons in Ceylon during the year, excluding the Road Ordinance defaulters, of whom there were 359 in 1904 as against 344 in 1903. The figures for the last ten years are as follows:—

Year.					Number.
1895	...	...	...	...	5,498
1896	...	...	...	...	5,288
1897	...	...	...	...	7,001
1898	...	...	...	...	7,051
1899	...	...	...	...	6,158
1900	...	...	...	...	6,000
1901	...	...	...	...	6,581
1902	...	...	...	...	6,369
1903	...	...	...	...	6,905
1904	...	...	...	...	6,805

3. Of the total admissions of convicted prisoners to prisons, the following figures give those from the Superior Courts (Supreme and District Court):—

*Convicted Prisoners from the Superior Courts.*

Year.					Number.
1895	...	...	...	...	614
1896	...	...	...	...	854
1897	...	...	...	...	1,155
1898	...	...	...	...	1,138
1899	...	...	...	...	731
1900	...	...	...	...	939
1901	...	...	...	...	1,114
1902	...	...	...	...	879
1903	...	...	...	...	923
1904	...	...	...	...	840

There was, therefore, a decrease of 83 as compared with 1903 in the number of persons convicted for more serious offences.

4. There was, however, an increase in convictions for murder and manslaughter of 20. The numbers for the last ten years are as follows:—

Year.					Number.
1895	...	...	...	...	75
1896	...	...	...	...	62
1897	...	...	...	...	88
1898	...	...	...	...	58
1899	...	...	...	...	71
1900	...	...	...	...	82
1901	...	...	...	...	101
1902	...	...	...	...	81
1903	...	...	...	...	70
1904	...	...	...	...	90

The number of convictions for aggravated assaults has slightly decreased—from 200 in 1903 to 188 in 1904.

5. The number of men sentenced to death and capital sentences carried out for the last ten years are as follows:—

Year.					Sentenced to Death.	Hanged.
1895	...	...	...	...	26	22
1896	...	...	...	...	37	25
1897	...	...	...	...	40	20
1898	...	...	...	...	28	19
1899	...	...	...	...	27	21
1900	...	...	...	...	51	32
1901	...	...	...	...	47	37
1902	...	...	...	...	43	30
1903	...	...	...	...	36	23
1904	...	...	...	...	33	22

The figures are, therefore, very similar to those for the previous year. Of the 33 sentenced to be hanged, 26 were Sinhalese, 6 Tamils, and 1 Eurasian; 22 out of the 33 sentences were confirmed and the remaining 11 commuted.

No Mohammedan was sentenced to death during the year, and no prisoner from the Northern, Eastern, North-Central, and Uva Provinces, the least criminal districts in the Island.

The offenders were in nearly all these cases men who had not been previously convicted of any crime. The murders were committed in the heat of passion or after drinking bouts and quarrels in gambling dens. It is seldom that a murder is deliberately committed with the intention of theft or robbery. The death penalty seems to have little deterrent effect.

6. There were three escapes of prisoners and three recaptures during the year; two of the escapes were recaptured, the third recapture was one of the 79 prisoners who escaped from Mahara quarry in 1902. Of these 79, 76 have been now recaptured.

7. The daily average of convicted prisoners in jail was 2,534 as against 2,459 in 1903. There was a satisfactory decrease in the daily average of unconvicted prisoners in the jail as well as in the admissions of such prisoners. The total admissions during the year were 6,044 as against 6,548 in 1903.

8. The total number of deaths in jail was 73, which is the lowest on record. The general health of the prisoners was on the whole fair, but there was a serious epidemic of fever at Mahara, which, beginning in the early months, continued until almost the end of the year. The mortality at Mahara was, in proportion to the number of persons treated, lower than in the previous year, but the number of cases of fever was two and a half times the number in 1903.

The average daily sick rate for the year was 137 as against 132 in 1903.

9. The number of punishments inflicted on prisoners decreased from 4,353 in 1903 to 4,124 in 1904. The number of individuals punished has, however, increased from 3,286 in 1903 to 3,431. This increase probably means that the punishment has been more deterrent and that there have not been repetitions of offences by the same prisoners.

Corporal punishments increased from 178 in 1903 to 210.

10. There was a decrease in the number of juveniles committed to prison and an increase in the number of prisoners between 20 and 30. Nearly 50 per cent. of the persons convicted were between 20 and 30.

11. Two resident Europeans were convicted in 1904 as against none in 1903 and 1902. Twenty-three non-resident Europeans were convicted as against 30 in 1903 and 7 in 1902.

12. The cost of maintaining each prisoner was Rs. 188 as compared with Rs. 189 in 1903.

13. The estimated value of remunerative labour contributed by prisoners was Rs. 194,660.

(C.) CRIMINAL STATISTICS.

I.—From Returns furnished by the Inspector-General of Police.

1. There were 19,027 true cases of cognizable offences committed in 1904 with 13,063 convictions or commitments to higher courts as against 16,769 true cases with 11,492 convictions or commitments in 1903, or an increase of 2,258 cases. The true cases and results for the last five years have been:—

Year.	True cases.	Convictions or Commitments.
1900 ... ..	17,703	12,990
1901 ... ..	17,609	12,793
1902 ... ..	17,374	12,229
1903 ... ..	16,769	11,492
1904 ... ..	19,027	13,063

2. Of the 19,027 cases in 1904, 14,042 cases were under "Other Offences," in which are included all statutory offences, breaches of Municipal and other by-laws, and minor offences; and 4,985 cases as against 4,706 in 1903 for offences which may be regarded as serious crime.

3. The following table shows the fluctuations of serious crime for the past five years:—

—	1900.	1901.	1902.	1903.	1904.
Murder and homicide ...	146	160	146	134	144
Rape ... ..	32	36	22	31	20
Robbery ... ..	289	382	326	294	280
Burglary ... ..	1,245	1,384	1,433	1,481	1,716
Grievous hurt ... ..	391	441	447	436	408
Theft of cattle and prædial products.	1,119	1,127	1,185	1,215	1,377
Arson ... ..	98	148	156	206	190
Briot ... ..	3	10	16	21	8

4. In 1904 158 cases were sent to the District Court and 17 cases to the Supreme Court under the Habitual Criminals' Ordinance, showing an increase of 12 cases and 1 case respectively as compared with 1903,

5. Of the 144 cases of murder and homicide, 111 cases were committed for trial, of which 103 were sent to the Supreme Court. In 80 cases the accused were convicted; 33 persons were sentenced to be hanged, of whom 22 were executed.

6. In 71 of the murder cases a knife or other cutting instrument was used, in 25 cases clubs were used, and in 21 cases the victims were shot.

7. There have been decreases of 11 under rape, 14 under robbery, 28 under grievous hurt, 16 under arson, and 13 under riot; there are increases under burglary and theft of cattle, &c.

8. The most notable increase is in cases of house breaking by night, from 1,481 cases in 1903 to 1,716 in 1904. In these cases there were only 160 convictions, or 9·3 per cent. In the majority of these cases the evidence was quite insufficient to convict anybody; holes are bored in the walls of mud huts and isolated dwellings, and articles, often of little value, removed. Over 300 cases under this head were found to be false.

9. Out of 1,955 cases instituted under section 368 of the Criminal Procedure Code (theft of cattle) 367 were found to be false, and in 337 cases the committal of an offence was not established.

In only 338 cases out of 1,377 pronounced to be true cases of theft of cattle or prædial produce were convictions obtained.

10. As regards minor offences convictions were obtained in 11,381 out of 14,042 cases. 224 cases were instituted for breach of quarantine regulations (for prevention of plague); there were 100 convictions.

673 cases were instituted for cruelty to animals, and in 647 cases convictions were secured.

11. There was an increase of crime in the Western, North-Western, North-Central, Uva, Eastern, and Northern Provinces, and a decrease in the Central and Southern Provinces—but not in serious crime: in the Southern Province the number of murders increased from 20 to 29—and in Sabaragamuwa.

12. Owing to a religious riot at Batticaloa (*vide* page 68) a force of 1 Assistant Superintendent, 1 Inspector, 5 sergeants, and 45 constables were despatched to assist the local police in restoring order. Two sergeants and 13 constables were left at Batticaloa. A force of punitive police was established at a village in the Galle District where there was a large amount of crime; the special rate was collected without difficulty.

## II.—*From Returns furnished by the Solicitor-General.*

1. The number of cases instituted in the Police Courts and Municipal Magistrates' Courts was 84,446. In 1904 there were

3,407 cases less against the person than in the average for each year of the period 1899-1903; and 2,294 cases against property less than in the average for each year of the same period; and 333 cases of cattle stealing above the annual average for the same period.

2. The proportion of persons tried by Police Courts per 100,000 inhabitants was 2,222.

3. Of 1,777 committals before the Superior Courts, 1,022 resulted in a verdict for the Crown and 755 in favour of the accused.

4. In murder cases there were 33 convictions to 27 acquittals; offences against person 318 convictions to 169 acquittals; offences against property 386 convictions to 319 acquittals.

5. Good work was done by the Gansabhawas, *i.e.*, Village Tribunals; 28,604 civil and 44,269 criminal cases were disposed of during the year. In only 168 civil and 162 criminal cases were the Presidents' judgments set aside by the Government Agent, and in only 14 civil and 3 criminal cases were judgments set aside on the final appeal from the Government Agents to the Governor in Executive Council.

## VII.—VITAL STATISTICS.

### (A.) POPULATION.

The population enumerated at the census (March 1st, 1901) was 3,565,954, exclusive of the military, the shipping, and the prisoners of war. The natural increase by excess of births over deaths from that date to the end of the year 1904 amounted to 174,831, while the number of Indian immigrants exceeded the number of emigrants by 72,146. The population estimated to the end of 1904 was accordingly 3,812,931, an increase as compared with the population at the end of 1903 of 72,369 persons, and equal to a rate of 1·9 per cent.

### *Birth- and Death-rates.*

The births registered during the year numbered 145,253, and were in the proportion of 38·0 per 1,000 persons living. The registered deaths numbered 93,940, and were equal to a rate of 24·6 per 1,000 of the population. Compared with 1903, the birth-rate shows a decrease of 2·0 per mille and the death-rate a decrease of 1·3 per mille. Compared with the average rates for the six years 1898-1903, the birth-rate shows a decrease of 0·6 per mille and the death-rate of 3·2 per mille.

**(B.) PUBLIC HEALTH.**

The public health of the Island during the year was satisfactory, the death-rate (24·6) showing a diminution of 1·3 from the previous year. No epidemics of cholera or small-pox broke out in the Island during the year—an immunity which the Island has only enjoyed once before, in 1899. The four deaths from cholera registered in the year were of sailors who arrived in the Island stricken with the disease. There were only two deaths from small-pox registered during the year (one in Trincomalee and the other in Colombo). The principal causes of death were:—Fever, 18,389; diarrhoea and dysentery, 17,805 (as against 19,880 in 1903); infantile convulsions, 9,465; debility, 4,909; bronchitis, 757; pneumonia, 3,035; phthisis, 3,489; anæmia, 2,817; worms, 2,233; and old age, 2,400.

*Malarial Fever.*

There were two distinct and serious epidemics of this disease—one at Mutwal, Colombo, and the other at the Mahara jail. In the former the persons affected all resided in insanitary dwellings, surrounded by stagnant pools of water. After many fruitless searches a few mosquitoes of the Anophiline variety were found. At Mahara no insanitary condition was present, and the Anophilines found were of the Barbirostris variety, which is said to be not a carrier of the malarial parasite.

A circumstance in common to these two outbreaks is the fact that excavations were being carried out in the vicinity. Towards the close of the year these epidemics ceased. The death-rate in each was very low.

In 1904 there were 5,288 cases of malarial fever, with 75 deaths, treated in the various hospitals. In 1903 there were 4,766 cases, with 108 deaths.

A large number of deaths are returned as being due to malarial cachexia, viz., 424 out of 3,796 admitted for this disease.

*Enteric Fever.*

The number of cases treated was less than in the year previous. The death-rate was about the same. Of the total cases reported from the various stations, 246, with 49 deaths, occurred in the Colombo hospitals as against 251, with 53 deaths in 1903.

*Dysentery.*

At the various Government hospitals 2,111 cases of dysentery, with 478 deaths, were treated. The total number treated and the deaths were less than in 1903, when there were 2,384 cases treated, with 658 deaths.

*Chicken-pox.*

There were 3,224 cases, with 1 death, as against 1,862 cases, with 4 deaths, in 1903.

*Leprosy.*

There was a total of 289 cases of leprosy remaining at the Hendala Asylum on 1st January, 1904, and 155 cases were admitted during the year, giving a total of 444 treated during the year. Of these, 58 were discharged and 58 died. At Kalmunai 35 cases were treated, 17 of whom were discharged, and 3 deaths. From the Kalmunai and Batticaloa Districts, Eastern Province, 109 cases were reported.

An experiment was undertaken by Dr. Meier, the Superintendent of Hendala, of the use of Dr. Rost's leprolin serum on three cases with very satisfactory results. Further observations could not be made owing to the fact that the serum cannot be obtained. The Indian Government are undertaking measures to prove the real efficacy of Dr. Rost's serum and to standardise it before supplying it to the public.

*Anchylostomiasis.*

The number of cases of this disease treated at the Government hospitals has increased during the year under review by 162. In 1903 the number of admissions was 1,775, in 1904 1,937. Originally this disease was confined to Malabar coolies on estates who bring the disease from India. It is, therefore, being constantly introduced with the batches of coolies who arrive daily. It is reported by most of the Medical Officers doing duty among the natives of the Island living on the confines of estates that the disease is spreading among them. Improved sanitary methods can alone combat this disease.

The death-rate from this disease in 1904 to cases of the disease treated was 14·7 per cent.

*Diphtheria.*

A few cases of this disease occurred during the year. It was thought that this disease was not known in India and Ceylon, but there was no doubt about the correctness of the diagnosis in these cases as it was confirmed by bacteriological observation and experiment.

*Parangi.*

There were 3,501 cases of this disease treated with 16 deaths, being 256 cases and 5 deaths in excess of the numbers for 1903. The disease is more rife where the necessities of life are most difficult to obtain. This disease is worst in the North-Western

Province. The increase in the number of cases is not in proportion to the increase of the population, and the ratio of those affected to the whole population is becoming less every year.

### *Cancer.*

There were 234 cases of cancer and 35 cases of sarcoma reported from the various medical institutions in the Island.

### *Phthisis.*

In 1903 there were 878 cases of phthisis returned; in 1904 the total was 1,102 cases.

### *Vaccination.*

During the year 145,098 subjects were vaccinated. 139,706 were primary vaccinations and 5,392 re-vaccinations. Of the former, 118,884 were successful and 12,946 unsuccessful, and in 7,876 subjects the result of the operation was not known, as they failed to present themselves for examination on the appointed days. The percentage of successful cases to total inspected was 90·17. Of the re-vaccinations 3,446 were successful and 1,138 unsuccessful, and the result was not known in 808 cases, as the subjects failed to present themselves for inspection. The percentage of successful cases to total inspected was 75·66.

### *Comparative Statement of Principal Diseases for the last Five Years.*

Disease.	Year.	Cases.	Deaths.
Cholera ... ..	1900	814	456
	1901	152	97
	1902	179	116
	1903	46	23
	1904	7	4
Smallpox ... ..	1900	252	42
	1901	390	75
	1902	146	35
	1903	29	5
	1904	10	2
Chickenpox ... ..	1900	935	—
	1901	1,762	6
	1902	2,293	3
	1903	1,862	4
	1904	3,224	1

*Comparative Statement of Principal Diseases - cont.*

Disease.				Year.	Cases.	Deaths.
Dysentery	...	...	...	1900	3,204	934
				1901	4,177	1,543
				1902	3,017	999
				1903	2,383	658
				1904	2,111	478
Enteric Fever	...	...	...	1900	224	77
				1901	292	74
				1902	243	63
				1903	358	71
				1904	341	70
Leprosy	...	...	...	1900	635	43
				1901	518	56
				1902	483	48
				1903	526	92
				1904	532	68
Anchylostomiasis	...	...	...	1900	1,336	273
				1901	1,691	326
				1902	1,609	257
				1903	1,775	272
				1904	1,937	286
Parangi	...	...	...	1900	3,646	9
				1901	3,117	12
				1902	3,434	10
				1903	3,254	10
				1904	3,501	16
Malarial Fever	...	...	...	1900	6,226	147
				1901	5,665	89
				1902	6,513	115
				1903	4,766	108
				1904	5,288	75

*Plague.*

The same precautions against the introduction of plague were continued as have been taken for many years past. No case of plague was brought to the Island, but six vessels, on which there were suspicious cases of illness, were kept in strict quarantine.

During the year the Clayton's sulphur dioxide disinfecting machine was fixed to one of the harbour tugs. It should be a useful adjunct to the harbour equipment both for infected vessels and for fire.

The most unhealthy districts in Ceylon in 1904 were Mannar, Mullaittivu, Anuradhapura, and Jaffna, where the mortality was in the proportion of 42, 39·5, 37·5, and 35·9 per 1,000 of the population respectively, the rate for the Island being 24·5.

There was an abnormally high mortality from fever in the Jaffna District in January and February, and in the Mannar District in April.

In the Districts of Jaffna and Mannar the estimated population decreased by 383 and 188 respectively.

January and February were as usual the unhealthiest months of the year throughout the Island.

### (C) SANITATION.

#### *General Sanitary Condition of the Colony and of the Chief Towns.*

The general sanitary condition of the Island remains in much the same condition as last year. The same methods of disposal of dust and faecal matter exist, and, though, by no means satisfactory, are still very fair when compared with other tropical countries. The importance of a pure water supply is increasingly recognised by local bodies.

#### *Colombo.*

In this city there are two specially qualified Medical Officers of Health with a staff of Inspectors in the employment of the Municipality. The disposal of sewage is the same as it has been for some years past, viz., the collection of solid matters for burial at various dépôts and the continuance of cesspits; the latter are being gradually filled and closed. Colombo has contributed the largest number of cases of enteric fever, and in most cases the origin of the disease has been traced to contaminated water or milk.

Progress is being made with the preliminary operation, the laying of pipes, for the Mansergh scheme of drainage.

The scheme provides for a water carriage system for the sewage of the more densely populated part of Colombo, but it is being carried out with the view of its being extended if necessary to the whole city.

The work now under construction is likely to take some five years to complete, and the cost is likely to exceed four million rupees.

#### *Kandy.*

The general sanitary condition of Kandy leaves considerable room for improvement. Several cases of enteric occurred at Katukele. A drainage scheme has been considered, but the cost is at present prohibitive. The water supply is pure and of good quality. The conservancy has been much improved, and several cesspits in crowded parts of the town have been closed.

*Jaffna.*

This is the only town in the Northern Province where sanitation in any regular way is attended to, though there is no Local Board or Municipality. The water supply is obtained from wells; it is hard and brackish. A scheme for a better supply has been estimated for, and is under the consideration of Government.

*Galle.*

This town is in a fairly sanitary condition. The improvement of the conservancy system in filthy suburbs is receiving the attention of the Municipality. The water supply is defective, but a new scheme is under consideration.

*Batticaloa.*

The sanitary condition of this town is fairly satisfactory, but there is still room for improvement. The drainage system requires improving, but this is a matter of some difficulty owing to the flat character of the surrounding country. The water supply obtained from wells is sufficient, but is in some places brackish, and sometimes fails in the dry season.

*Kurunegala.*

The sanitary condition is not satisfactory. The drainage and water supply are unsatisfactory.

*Anuradhapura.*

The general sanitary condition of this town is good. The water supply, which is obtained from tanks, is abundant and wholesome.

*Badulla.*

The general sanitary condition is fairly satisfactory. The water supply is insufficient. Public latrine accommodation is deficient. The scavenging was satisfactorily done.

*Ratnapura.*

The drainage has been improved recently. The water supply is reported to be insufficient.

**(D.) CLIMATE.**

The climate varies considerably in different parts of the Island, both as regards temperature and rainfall. In the low-country the climate is tropical, but on the hills in the interior

it more nearly resembles the spring of Southern Europe. The heat in the central, south, and west of the Island is a damp heat; in the north and east it is a dry heat, more like the climate of South India. There are few places in the Island at which Europeans are stationed which are more than four days' distance from a cool climate.

### *Temperature.*

The records kept by the Meteorological Department of the Surveyor-General's Office show that the temperature has varied from 38° below freezing point at Nuwara Eliya to 103·7° at Trincomalee. In 1904 the extremes were 28·2° at Nuwara Eliya on 6th February, and 99·8° at Anuradhapura on 7th May.

The mean temperature of Colombo is 80·7°, and the most noticeable feature of the climate is the permanent humidity of the atmosphere. On the other hand, the mean daily range of temperature is comparatively small (10·9° in 1904), and in this respect Colombo compares very favourably with Madras, Bombay, and Calcutta. The absolute highest and lowest temperatures in 1904 were 92·7° on 25th February and 65·0° on 3rd and 4th February, while the mean for the year was 80·4°.

### *Rainfall.*

The variations of rainfall are even more remarkable than those of the temperature, the official records ranging from 12·40 inches at Hambantota in 1904 to 301·40 inches at Nawalapitiya in 1891. For 1904 the maximum and minimum were 220·54 inches at St. Martin's, Rangalla, and 12·40 inches at Hambantota.

The severity of an up-country rainstorm in Ceylon may be gauged from the fact that 18½ inches have been recorded in twenty-four hours (at St. Martin's, Rangalla, on 14th and 15th December, 1896). The heaviest downpour in twenty-four hours in 1904 was 16·81 inches at St. Martin's, Rangalla, on 17th and 18th December. It only rained for thirty-nine days in eleven months at Mannar, and for fifty-two days of the year at Jaffna, while it rained on more than half the number of days in the year at Ratnapura, Kandy, Nuwara Eliya, and Hakgala. There were less than 50 inches of rain during the whole year at Puttalam, Anuradhapura, Mannar, Jaffna, and Hambantota.

### *Direction and Velocity of Wind.*

The general direction of the wind is from north-east from November to March and from the south-west from April to October. The average velocity during the last thirty-five years of the north-east monsoon has been 197·7 miles, and of the

south-west 182·6 miles. In 1904 the figures were 222·5 and 213·8 miles respectively.

### *Abnormal Phenomena.*

A slight shock of earthquake was noticed in various parts of Colombo at 9·47 a.m. on 4th May.

Thunderstorms were comparatively violent, although ranging through a shorter season than usual. A house at Kotahena was struck by lightning, killing a dog and injuring several women on 13th January.

Hail fell at 3 p.m. at Kandy on 10th April, at Bandarawela on 16th April, and at Diyatalawa 4 p.m. on 20th August.

At the end of May, 1904, the highest flood since 1871 occurred in the Kelani Valley and the Kalutara District.

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## VIII.—POST AND TELEGRAPHS.

There was a further increase in the work of the Ceylon Post and Telegraph Department, which has shown a remarkable expansion during the last eight years.

In 1904 there was an increase of nearly one million in the number of letters, post-cards, and printed matter passing through the post; the largest increase was in post-cards, due to the popularity of the Indian trade circular post-card and the Ceylon picture post-card; the only decrease shown was in trade circulars from India.

The parcels traffic increased 6 per cent. The value-payable increasing at a greater rate than ordinary parcels, Rs. 852,714 as against Rs. 789,691, in 1903, was collected from the addresses of value-payable parcels and remitted to the senders by the Department. The increase in 1903 was chiefly on parcels posted in Ceylon, on which the increase was Rs. 41,000, but there was also an increase in value of Rs. 21,000 on parcels received from India. A development of the value-payable post between the United Kingdom and Ceylon would be of great advantage to the general public of this Colony.

The rates of commission on money orders were revised and simplified, being settled on a uniform basis of 1 per cent. on units of Rs. 10 for rupee orders and of Rs. 15 for sterling orders, with the one exception that the minimum commission on a sterling order should be 25 cents.

The total value of the money orders dealt with during the year was Rs. 11,214,305, of which Rs. 6,289,250 was for inland

orders, Rs. 4,188,547 for Indian, Rs. 385,040 for British, and Rs. 351,466 for Colonial and Foreign orders, being an increase of Rs. 616,000 over the business in 1903, half the increase being on Inland orders.

#### *Postal Orders.*

Postal orders are far less popular in Ceylon. The total number of postal orders issued does not amount to one-sixth of the Inland money orders issued. Arrangements were completed for the issue and payment of British postal orders at all Money Order Offices in Ceylon, for use as a means of remitting small sums between Ceylon and the United Kingdom and other Colonies.

#### *Telegraphs and Telephones.*

The number of telegrams despatched during the year exceeded any previous year, the inland 25-cent telegram again leading. There has been an increase of nearly 50 per cent. in the number of telegrams despatched between 1899 and 1904. The increase in the number of foreign telegrams has been rather less than normal. The only telephone exchange, which is situated in the centre of the business quarter of Colombo, registered 26 new subscribers, making a total of 129. The number of calls, however, increased from 161,313 in 1903 to 215,349 in 1904.

In consequence of the growth of the postal telegraphs, the development of the telephone system, and the extension of railway telegraphs, two additional assistants to the Superintendent of Telegraphs were appointed.

#### *Mail Services.*

(a) *Inland.*—The applicability of motor cars for local conveyance of mails was considered by a special Committee. Forms of tender were issued in Ceylon and in the United Kingdom; up to the end of the year no satisfactory tender had been received.

(b) *Foreign.*—By the terms of the renewal of the contract with the Peninsular and Oriental Company Ceylon receives the outward mail from Europe on Saturdays instead of Sundays. The Indian Government concluded negotiations with the British India Company for improvements in the service between Tuticorin and Colombo, giving a seven-day, in place of a six-day, weekly service, larger steamers, and increased speed.

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# IX.—MILITARY STATISTICS.

## (A.) MILITARY EXPENDITURE.

The Military Expenditure during the year was as follows:—

	Amount.	
	Rs.	c.
Colonial Contribution for Regular Troops* ... ..	2,244,975	29
For Volunteer Regiment ... ..	268,951	92
Compensation in lieu of exemption from payment of Customs Duties on articles imported for the Troops.	27,856	50
Cost of erecting certain buildings for the Military† ...	11,985	32
Expenses connected with the Fortifications of Colombo...	13,186	28
Sanatorium at Nuwara Eliya ... ..	68,452	29
Rifle Range and Musketry Camp, Diyatalawa ... ..	18,690	0
Cost of site for General Officer Commanding quarters, Nuwara Eliya.	20,882	91
General store for the Royal Garrison Artillery ... ..	3,000	0
Total ... ..	2,677,980	51

\* This contribution is assessed at nine and a half per cent. of the Colonial revenues, the revenues being defined for this purpose as including the *net* receipts of the Government Railway but excluding the proceeds of land sales and *præmia* on lease or land grants. Ordinance No. 2 of 1898 provides that "in no year shall the sum paid by way of percentage exceed three-fourths of the cost of the garrison for that year."

† In addition to the contribution referred to in the previous note, the Colony provides "any capital expenditure required for military lands and buildings outside Trincomalee," such sums being voted by the Legislative Council with the usual estimates.

## (B.) VOLUNTEER FORCE.

The expenditure on the volunteers was Rs. 268,844—an increase of Rs. 45,217 on the expenditure in 1903. It is now two and a half times what it was seven years ago.

The strength of the force at the end of 1904 was 1,992, being a decrease of 182 since the end of 1903. The reason of the decrease is that at the beginning of 1904 there was a large number of non-efficients who were kept on the roll in the hope that they would qualify themselves early in the following year. Those who failed to do so were struck off. The number of non-efficients is now small.

The Cadet Battalion of the Ceylon Light Infantry, raised in 1902 with a strength at the end of that year of 362, now numbers 479, showing an increase of 61 during the past year.

1,453 volunteers attended the camp at Diyatalawa; in 1903 the number was 1,434.

## X.—PUBLIC WORKS.

## (A.) PUBLIC WORKS DEPARTMENT.

The total expenditure of the Public Works Department during the year under review was Rs. 5,186,754·63, classified as follows:—

	Amount.
	Rs. c.
Personal Emoluments ... ..	422,009 37
Annually Recurrent Works... ..	2,286,812 28
Extraordinary Public Works ... ..	1,858,657 46
Works chargeable to Loans, &c. ... ..	619,275 52
Total ... ..	5,186,754 63

The following tabular statement shows the expenditure on Annually Recurrent Works, Extraordinary Public Works, and those chargeable to loans and other funds for the last nine years:—

Year.	Recurrent.	Extraordinary.	Miscellaneous, including Loans.	Total.
	Rs.	Rs.	Rs.	Rs.
1896 ... ..	1,823,558	1,219,106	—	3,042,664
1897 ... ..	1,726,669	1,838,650	—	3,565,319
1898 ... ..	1,900,307	1,510,143	369,324	3,779,774
1899 ... ..	2,040,684	1,707,119	1,250,125	4,997,928
1900 ... ..	2,029,279	1,610,261	1,074,665	4,714,205
1901 ... ..	2,112,905	1,348,032	666,028	4,126,965
1902 ... ..	2,163,394	1,448,491	572,143	4,184,028
1903 ... ..	2,240,085	1,339,699	1,275,967	4,855,751
1904 ... ..	2,286,812	1,858,657	619,275	4,764,744

The mileage of roads in the Colony was increased by 6·07 miles new roads and 40·74 miles of minor roads previously in charge of the Provincial and District Road Committees which were taken over by Government.

The total length maintained by the Public Works Department during the year was 3,707·12 miles divided as follows:—

	Miles.
Metalled ... ..	2,384·63
Track metalled ... ..	285·15
Gravelled ... ..	664·11
Natural tracks and bridle paths ... ..	373·23
	3,707·12

There is at present great need of roads and better roads in the Kurunegala and Dandugama Districts and of "feeder roads" to the new Northern Railway and Kelani Valley Lines.

The extraordinary floods in May caused considerable though temporary inconvenience and some damage to roads, bridges, and causeways on the Kelani Valley and Kegalla Districts.

The output of work from the Government factory shows an increase of Rs. 25,140.54 over that for 1903. The increase is due principally to more bridges made (130 against 117) and more work on buildings.

Among the important works under construction by the Public Works Department in 1904 were the New Service Reservoir for Colombo, the Technical College, the Supreme Court Buildings, the Victoria Memorial Eye Hospital, the Administration Block, General Hospital, Colombo, and the construction of the new steel bridge over the Mahaweli-ganga Peradeniya.

#### (B.) COLOMBO HARBOUR WORKS.

Good progress was made with the Colombo Harbour Extension Works. The amount spent during the year was Rs. 2,184,082, bringing the total expenditure on the present works up to Rs. 15,294,940, the grand total expenditure since the commencement of the South-West Breakwater in 1873 being Rs. 33,226,853.

It is expected that the North-West Breakwater and the coal jetties will be completed by about the end of 1906 or early in 1907.

The Graving Dock, according to the anticipation of the Chief Resident Engineer, will be finished about the end of 1906. Its length is 700 feet, width 113 feet from cope to cope, depth over all 30 feet at low water ordinary spring tide, width at entrance 85 feet between coping. The body of the dock, the entrance, and south jetty are practically completed, with the exception of some coping stones and the concreting of about a quarter of the floor area of the dock.

The Patent Slip was in constant use; it was occupied by 33 vessels, 14 of which belonged to Government. The revenue was Rs. 43,580 and the expenditure Rs. 11,423.32.

#### *Dredging.*

The present scheme of harbour dredging to give 30 feet depth at low water will be completed by the end of 1905. The question has been raised as to whether steps ought to be taken to increase the depth to 33 feet at low water, in view of the fact that larger vessels are being built with deeper draught.

The time required to complete the work would be about eight years at an annual cost of Rs. 180,000.

### (C.) RAILWAYS.

The mileage open at the end of 1904 was 466½ miles, being an increase of 75 miles during the year, viz., 6½ miles from Kandapolla to Ragalla, and 68½ miles from Kurunegala to Anuradhapura.

The great event of the railway year was the opening of the section of the line from Kurunegala to Anuradhapura for passengers and goods traffic on 1st November. The passenger receipts from the section during the Christmas holidays were heavy, but the goods traffic has been light, as is only to be expected until the country is more fully developed.

The figures for the traffic on this portion were taken with those for the line between Polgahawela and Anuradhapura for 1904.

The earnings on the Polgahawela-Kurunegala section for 1903 averaged Rs. 9,373 per mile of line opened, whilst in 1904 the earnings of the whole section Polgahawela to Anuradhapura averaged Rs. 6,850 per mile of line open.

There was a steady increase of traffic on the Kelani Valley Line, the figures for 1904 being Rs. 394,299, or Rs. 8,257 per mile open, against Rs. 295,763, or Rs. 7,371 per mile open, in 1903.

The question of an extension of the line from Avisawella to Ratnapura and of a line to Badulla and Passara from Ratnapura were both considered during the year. It was decided to refer them to Special Committees, and the Legislative Council was asked to vote a sum of Rs. 50,000 for a survey of the proposed Badulla-Passara section as a preliminary step to the consideration of that scheme.

The Railway Department had a prosperous year; the total receipts (Rs. 8,891,586) exceed all previous years and are Rs. 552,973 more than in 1903. The surplus of revenue over expenditure was Rs. 3,850,553, giving a profit of 5·86 per cent. on original outlay and 9·53 per cent. on capital outstanding on 1st January, 1904.

Steady progress was made with the tunnelling operations on the Kadugannawa Incline; a sum of Rs. 146,030 was expended under this head. A serious accident unfortunately occurred at Alagalla, and four lives were lost by an explosion which occurred after the blasting for the tunnelling.

The numerous slips and washaways during the break of the south-west monsoon, which were particularly numerous and severe on the Kelani Valley Line, caused heavy expenditure on repairs and in strengthening the line.

(D.) IRRIGATION.

The annexed table shows the expenditure on Irrigation Works—on construction and maintenance—during the past ten years:—

*Statement of Expenditure on Irrigation for the last Ten Years (1895–1904).*

Year.					Construction.		Maintenance.	
					Rs.	c.	Rs.	c.
1895...	...	...	...	...	163,417	22	65,674	48
1896...	...	...	...	...	170,220	72	60,449	0
1897...	...	...	...	...	178,810	77	62,940	72
1898...	...	...	...	...	189,989	10	63,802	47
1899...	...	...	...	...	213,606	90	69,881	58
1900...	...	...	...	...	297,375	30	74,556	16
1901...	...	...	...	...	487,768	12	72,912	43
1902...	...	...	...	...	483,102	71	76,806	10
1903...	...	...	...	...	494,364	11	82,699	3
1904...	...	...	...	...	668,377	56	88,081	10
Total					3,347,032	51	717,803	7

From the table it will be seen that the expenditure on works of construction has increased to more than four times what it was ten years ago, and that there was an increased expenditure of Rs. 174,000 on construction in 1904 as compared with 1903. The increase in cost of maintenance has not increased to such a large extent, being now a little more than one-third as much again as it was in 1895.

During the last ten years 69 irrigation works were started, of which 48 have been pronounced completed.

A table is annexed showing the area of land opened for irrigation each year during the last ten years:—

*Statement of Area of Land opened for Irrigation each year during the last Ten Years (1895–1904).*

Year.					Area.		
					A.	R.	P.
1895...	...	...	...	...	2,097	0	5
1896...	...	...	...	...	5,809	3	22
1897...	...	...	...	...	1,409	1	34
1898...	...	...	...	...	2,791	2	20
1899...	...	...	...	...	1,536	2	1
1900...	...	...	...	...	1,737	1	25
1901...	...	...	...	...	3,962	2	36
1902...	...	...	...	...	1,121	0	26
1903...	...	...	...	...	1,231	0	7
1904...	...	...	...	...	2,012	2	21
Total...					23,709	1	37

From this statement it appears that between the ten years during which 48 irrigation works have been completed 23,709 acres of land have been opened for irrigation, and that the extent actually opened in the first year of this period was more than in 1904. The area opened in 1896 was more than double the extent given for 1904.

The amount of rice imported in 1904 was 9,560,321 bushels, an average of 2·68 bushels per head of population. The average for the period 1886-1890 was 2·04 and for the period 1891-1895 was 2·53.

It was decided in 1904 that before any further new works were started efforts should be made to complete thoroughly the works already undertaken. With this end in view it was decided to pay special attention to the completion of the channels under the tanks.

It was at the same time resolved that before any further new works were undertaken there should be evidence of a willingness on the part of the people to take up land under the newly restored tanks. The beneficial results of the restoration of such magnificent irrigation works as Giant's tank in the Northern Province, Kalawewa and Minneri in the North-Central Province, the Deduru-oya in the North-Western Province, and Walawe and Tissa in the Southern Province, are certain to result in the future. Their development is only a question of time; at present they afford scope for the existing population to settle on irrigable land and turn it to the best advantage.

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## XI.—GENERAL OBSERVATIONS.

### (A.) IMPORTANT EVENTS.

1. Mr. E. F. im Thurn, C.B., C.M.G., Lieutenant-Governor and Colonial Secretary, was appointed Governor of Fiji and High Commissioner of the Western Pacific. He was succeeded by Mr. A. M. Ashmore, C.M.G.

A riot occurred at Puliyantivu, Batticaloa, on the 14th November between Sivites and Roman Catholics, in which three persons were badly hurt. The riot was followed by desecration of the Roman Catholic burial ground. There was considerable tension and excitement for a time, but the arrival of a detachment of fifty police from Colombo and the excellent restraining influence exercised by the Roman Catholic priests over their congregations prevented any further serious disorder. Twenty-two rioters were put on their trial.

3. There were very severe floods on the Kelani River during May, which resulted in considerable damage to property on

the banks of the river. A relief fund was started, and Rs. 13,370 were collected and distributed amongst the sufferers from the floods.

4. The naval Dockyard at Trincomalee was closed on the 31st December. About 230 employés were thrown out of employment.

The most important event of the year was the Temperance "wave," which spread over the country in a remarkable manner. Originally it started in the Southern Province, and Associations were soon formed all over the Island. The arrack renters suffered considerably for some months, and Government introduced an excise system in many districts in place of insisting on the payment by the renter of the instalment due on his rent. By the end of the year there was evidence that the movement had abated, and that the people were returning to their ordinary habits. The movement was attended with good results in many cases, where excessive drinking ceased for the time, but was often attended with acts of oppression, and picketing and coercion were resorted to. It was perhaps most remarkable for the success of its organisation, the rapidity with which the movement spread, and the public interest it aroused.

#### (B.) IMMIGRATION AND EMIGRATION.

The returns show that there sailed to Ceylon in 1904 from the ports of Tuticorin, Tondi, Ammapatam, and Paumben 142,728 coolies, traders, &c., and that 123,995 passengers from Ceylon were landed at these ports. The number of immigrants to Ceylon was 30,392 more than in 1903.

A Labour Commissioner and assistant to reside in India were appointed by the Planters' Association. The work of the Commissioner is to look after the interest of estates in such matter as the sending of money to the coast by kanganies, and to protect as far as possible the interests of the coolies and kanganies themselves and save them from being cheated by each other and by outsiders.

A grant of Rs. 11,000 per annum, or 25 per cent. of the total estimated cost, has been made by Government.

#### (C.) RATES OF WAGES AND COST OF LIVING.

The rate of wages for prædial labourers varies from 25 to 50 cents per diem; 37½ cents may be taken as the general rate. Domestic servants' wages vary very much according to whether they receive their food or not. The servants of the European are not as a rule given food as part of their wages. This is the custom with most of the natives. Wages without food vary from Rs. 12.50 to Rs. 20 per mensem, with food from Rs. 5 to Rs. 12.

Trade employés earn from 50 cents to Re. 1.50 a day. The cost of living varies greatly in different parts of the Island, being lowest in the Northern and Eastern Provinces and highest in Colombo, where house rent is yearly increasing for all classes.

(D.) GENERAL CONDITION OF THE COLONY ; OPENINGS FOR CAPITAL AND FUTURE PROSPECTS OF TRADE.

With the present good returns on cocoanut land, the generally satisfactory condition of the tea industry, and the large development in rubber cultivation which may be confidently expected, the condition of the Colony may be taken to be as satisfactory as its revenue would indicate. The openings for capital are numerous, and are at present only limited by the steady return which established cultivations yield.

Paddy cultivation has an immense hold on the native cultivator, for it provides him with his food supply at his door. He knows that if he can get his crop he can lay by a store which will last him until the next season comes round. To be insured against want he must be insured against drought. The development and restoration of the irrigation works of the Island supply this want.

For the villager who has capital to invest, if he can afford to wait, a safe investment is the purchase and planting up of cocoanut land. For the European planter the cultivation of rubber is now the greatest attraction; and assured of his chief staple—tea—being in a healthy condition, he is able to invest in the purchase of land for rubber plantations.

The scientific agricultural experiments now being made will, it is hoped, provide a number of "catch-crops" which can be obtained both by the European and the native planter from their lands, while they are awaiting the full growth of the rubber or cocoanuts or in rotation with paddy.

The "open field" for agricultural experiment and development is the land along the Northern Railway, in the North-Western, North-Central, and Northern Provinces. Much of the land is irrigated from the large restored irrigation works; the improvement of road communication, the cutting of irrigation channels, and the results of the experiments now being made in cotton cultivation and other grains will further introduce this district to the likely settler.

The development of the Northern Province of this Island may be confidently anticipated, but it must be a gradual development. The present condition of the country and the numerous openings for capital in known centres must militate for the time against any emigration from one district to another by a most conservative people. But with increased prosperity

must go increased wants, higher standards of comfort, and increased population. These will be the chief factors in the development of the Northern Districts.

#### (E.) SOCIAL AND MORAL CONDITION OF THE PEOPLE.

The prevalence of serious crime in the Colony, which is still an unhappy feature of its history, is in some degree a reflex of the prosperity of the Island.

The murders and savage assaults, which too frequently occur, are generally the results of ungovernable passion. Most of the other crimes in the Island are committed by persons for whom an assured condition of well-being has no attraction. The problem of the unemployed in the East is very different from that of the West. The present condition of the people of the Island is in most parts such that they can support themselves and satisfy their ordinary wants with the least degree of exertion.

When there is a balance available for further expenditure the problem of their well-being arises. The present conditions of life—good wages, prosperous trade, and good returns on the staple crops—all mean more money to spend. In many cases the native planters and traders show remarkable instincts of business and enterprise, extend their operations and improve their lands. In other cases the added wealth too often finds its way to the liquor shop and in the purchase of the cheap “luxuries,” generally of European manufacture, which are now common in every village bazaar. Education alone will determine the question of how to spend profitably, and in the improved education now being widespread over the Island is to be found the best means of improving the well-being of the people.

E. B. DENHAM,

Assistant Colonial Secretary.

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31	Northern Nigeria ... ..	Cotton, &c.





COLONIAL REPORTS—ANNUAL.

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No. 494.

CEYLON.

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REPORT FOR 1905.

(For Report for 1904, see No. 481.)

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Presented to both Houses of Parliament by Command of His Majesty.  
*August, 1906.*

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No. 494.

## CEYLON.

(For Report for 1904, *see* No. 481.)

THE GOVERNOR TO THE SECRETARY OF STATE.

The Queen's Cottage, Nuwara Eliya,  
Ceylon, 9th July, 1906.

MY LORD,

I HAVE the honour to forward the enclosed report on the Blue Book for 1905 prepared in the Colonial Secretary's Office. I would add to the report a few observations.

*Exports.*

2. I find that of the exports of Ceylon produce, but Rs. 21,000 of " Pearls and Precious Stones " comes within the purview of the Customs. But to this should be added the results of the pearl fishery, which may be assumed to be as valuable as the money received for the pearl oysters. In 1905 the amount received for the Government two-thirds share of the oysters was Rs. 2,626,175, to which must be added one-third disposed of by the divers, making a sum of Rs. 3,501,536, practically all of which is exported. Again, from information received from gem merchants and dealers, I am satisfied that precious stones are annually disposed of by direct export and to passing travellers to the extent of at least Rs. 3,000,000. The gross amount of exports may thus be taken at an additional value roughly of Rs. 6,501,000.

*Pearl Fishery.*

3. As a matter of fact, the anticipation of the Inspector of Pearl Banks has been exceeded in the last fishery, but, in my opinion, the lease of the fishery, assuring as it does for 20 years an annual income almost exactly double the nett average annual income for 50 years past, with the reversion at the expiration of the lease of a fishery, upon the development of which a sum between the minimum of Rs. 1,000,000 and maximum of Rs. 3,000,000 will have been spent, at the discretion of the Government, cannot be otherwise than advantageous to the Colony.

*Agriculture (Page 24, paragraph 10).*

4. The result of the experiment at Maha-Illupalama shows that in the North-Central Province and districts to the north there are over one million acres on which cotton can be profitably cultivated where moderate irrigation is possible. The

quality is a matter of selection of seed plants that we can only hope for if the cultivation is taken up by capitalists with the same systematic attention to cultivation that has been devoted to tea and other remunerative products. I have made arrangements for a water survey of this district.

*Land Settlement (Page 25).*

6. At the present rate of progress the settlement of all the villages of the Island will take a century to complete, and in the meantime undecided claims retard the development of the country and create great delay in the acquisition of land for investment in rubber and other cultivations. The strengthening of this Department has become a pressing necessity.

*Estate Schools (Pages 27-29).*

6. The increase of 92 Government and Aided Schools, and of 19,518 children attending is very satisfactory, as is the increase of Estate Schools from 58 to 78, with an attendance of 7,490. It is an evidence of the readiness of the estate proprietors to meet the views of the Government on the subject of Coolie education.

*Police (Page 31, paragraph 2).*

7. Before the late change in the system and increase of pay to the lower ranks, it was found very difficult to obtain recruits of the proper stamp, and the vacancies in the force became a serious question. Now, no man is recruited whose character is not properly vouched for; the standard has been raised one inch and the chest measurement increased to the same extent, yet excellent material has presented itself, and not alone is the force at its full strength, but there are, I am informed by the Inspector-General, at present over 50 acceptable candidates awaiting vacancies. The new police stations have been manned and the sub-districts defined. I have little doubt that when the system has been for a time in operation, the preventive effect of police supervision will be apparent.

*Public Health (Page 32, paragraph 3).*

8. I have arranged with the Principal Civil Medical Officer to extend this experiment to all malarial districts during the present year by grouping the villages and sending to each group an itinerant dispenser, who will administer quinine at regular intervals during the malarial season, while all schools will be similarly treated. The result of the experiment cannot fail to be interesting, and will, I hope, be satisfactory.

I have, &c.,

HENRY A. BLAKE,  
Governor, &c.

# REPORT ON THE BLUE BOOK OF 1905.

## I.—FINANCIAL.

### (A.) GENERAL REVENUE AND EXPENDITURE.

The year 1905 was one of great financial prosperity. The estimated revenue for the year was Rs. 29,698,080, while the actual revenue amounted to Rs. 34,395,336, an increase over the estimate of Rs. 4,697,256, and over the revenue of 1904, the highest previously obtained, of Rs. 3,548,642.

2. The following is a comparative statement showing the actual revenue collected in 1904 and 1905 :—

	Revenue of 1904.		Revenue of 1905.		Nett Increase.	Nett Decrease.
	Rs.	c.	Rs.	c.	Rs.	c.
1. Customs ..	7,878,724	39	8,183,728	22	306,003	83
2. Port, Harbour, Wharf, and Light-house Dues.	1,422,889	41	1,428,973	39	6,103	95
3. Licences, Excise, and Internal Revenue not otherwise classified.	5,810,477	73	6,860,293	93	1,049,816	20
4. Fees of Court or Office, Payment for Specific Services, and Reimbursements in aid.	1,926,568	42	1,985,101	35	58,532	93
5. Post and Telegraphs .. .. .	1,167,711	45	1,235,706	17	67,994	72
6. Government Railway .. .. .	8,900,957	15	9,648,651	33	747,694	18
7. Rent of Government Property .. .. .	181,227	4	206,184	51	24,957	47
8. Interest .. .. .	527,324	0	462,411	93	—	64,912 7
9. Miscellaneous Receipts .. .. .	507,909	27	261,821	24	—	246,088 3
10. Sale of Government Property .. .. .	1,419,889	42	2,988,915	81	1,569,026	39
11. Land Sales .. .. .	688,686	75	1,133,568	23	444,881	48

The head "Railway Permanent Way Material Account," under which a sum of Rs. 374,369·20 appeared in the return of revenue for 1904, does not appear in 1905.

3. The increase under "Sale of Government Property" was chiefly due to the large proceeds of the pearl fishery, 1905.

The increase under "Licences" was due to larger sales of salt, to better recoveries from the arrack renters in consequence of the cessation of the temperance movement, and to higher duty paid on stamped instruments.

The increase under "Fees of Court" to the increase of value of property under litigation and increased land sales, the revenue from which, owing to the keen demand for land during the year, also shows a satisfactory increase.

The decrease under "Miscellaneous Receipts" was due to the smaller importation of new coins, which caused a falling off of Rs. 248,962.

*Expenditure.*

4. The estimated expenditure of 1905 (excluding that chargeable to loan) was Rs. 29,070,679, and the actual expenditure Rs. 29,736,899·28.

5. The total expenditure of 1905 was Rs. 32,087,491·65, as compared with Rs. 34,279,198·03 in 1904, or a decrease of Rs. 2,191,706·38.

6. A detailed comparative statement of expenditure for 1904 and 1905 is annexed:—

Heads of Service.	1904.	1905.	Increase.	Decrease.
	Ra. c.	Ra. c.	Ra. c.	Ra. c.
1. Charges on account of Public Debt.	3,501,313 36	3,647,787 54	56,566 12	—
2. Pensions .. .. .	1,325,397 19	1,392,614 03	67,216 84	—
3. His Excellency the Governor ..	145,063 61	139,300 85	—	5,762 76
3a. Civil Service .. .. .	679,721 72	683,041 55	3,319 83	—
4. Secretariat .. .. .	290,162 15	312,231 39	22,069 24	—
5. Audit Office .. .. .	60,073 72	64,582 32	4,508 60	—
6. Treasury .. .. .	45,969 57	50,974 14	4,984 67	—
7. Provincial Administration ..	1,084,683 46	1,257,612 53	192,929 7	—
8. Survey Department .. .. .	637,236 50	780,133 50	112,897 0	—
9. Customs Department .. .. .	132,534 73	135,537 86	2,973 13	—
10. Port and Marine Department, Colombo.	411,032 53	410,189 57	—	27,902 96
11. Port and Marine Department other than Colombo.	34,861 85	40,454 87	5,594 2	—
12. Botanic Gardens .. .. .	129,638 48	131,114 35	1,475 87	—
13. Colombo Museum .. .. .	26,898 25	26,473 93	—	424 32
14. Legal Departments—				
Supreme Court .. .. .	148,820 15	159,192 58	12,372 43	—
Attorney-General .. .. .	78,168 69	64,905 63	—	11,263 6
Solicitor-General .. .. .	12,632 65	11,002 26	—	1,530 40
District Courts .. .. .	164,206 96	166,031 97	1,826 1	—
Courts of Requests and Police Courts.	136,624 23	136,339 31	—	284 92
Registration of Lands .. .. .	80,264 81	107,499 65	27,234 84	—
Registration of Marriages, Births, and Deaths.	124,526 46	123,182 65	—	1,343 61
Fiscals .. .. .	220,507 80	231,091 16	13,583 56	—
Loan Board .. .. .	5,568 27	4,079 83	—	1,488 44
15. Police .. .. .	765,576 75	899,593 86	44,017 11	—
16. Prisons .. .. .	540,469 63	527,232 87	—	13,236 76
17. Medical Department .. .. .	402,633 83	443,998 8	41,364 25	—
18. Hospitals and Dispensaries..	1,274,473 4	1,323,673 62	49,200 58	—
19. Ecclesiastical .. .. .	9,290 0	9,260 0	—	—
20. Education .. .. .	1,055,317 37	1,063,793 17	43,476 80	—
21. Transport.. .. .	12,518 31	18,595 8	6,076 74	—
22. Exchange .. .. .	240,877 33	216,050 16	—	24,827 17
23. Military Expenditure .. .. .	2,677,980 51	2,504,391 38	—	173,589 13
24. Miscellaneous Services .. .. .	1,662,187 40	889,826 77	—	822,361 63
25. Government Stores .. .. .	99,868 0	82,232 23	—	17,636 77
26. Crown Agents, London .. .. .	2,715 0	2,715 0	—	—
27. Forests .. .. .	306,989 80	310,554 92	4,466 12	—
28. Post Office and Telegraphs..	1,232,051 33	1,401,899 15	149,847 82	—
29. Railway Department. Open Lines.	5,187,682 90	5,194,895 43	9,212 53	—
Railway Construction Account ..	1,125,000 0	—	—	1,125,000 0
30. Settlement Officer, Waste Lands Department.	67,163 16	76,391 49	9,228 33	—
31. Veterinary Department .. .. .	—	17,729 35	17,729 38	—
32. Consulting Electrical Engineer ..	15,077 23	14,283 98	—	793 24
33. Irrigation Department .. .. .	331,683 24	517,398 6	215,714 82	—
34. Immigration Department .. .. .	—	42,334 4	42,334 4	—
35. Public Works Department .. .. .	420,714 61	410,237 39	—	10,477 23
36. Public Works Annually Recurrent	2,003,929 89	2,040,985 59	37,056 70	—
37. Public Works Extraordinary ..	2,934,218 27	1,693,315 17	—	1,240,903 10
Total Expenditure chargeable to General Revenue.	32,019,392 58	29,736,899 28	1,199,272 41	3,481,765 71
38. Public Works Extraordinary, chargeable to Loan Funds.	2,259,806 45	2,350,592 37	90,786 92	—
Grand Total .. .. .	34,279,198 3	32,087,491 65	—	2,191,706 38

7. The increase of expenditure in 1905 on account of Provincial Administration, Rs. 192,929, was due to increased expenditure on the pearl fishery and collecting and storing salt. That of Rs. 112,897 in the Survey Department, to extension of surveys, especially the Block Surveys in the North-Western Province. That of Rs. 149,847·82 under Post Office to the cost of stores for the new Telephone Exchange, contribution to the Eastern Mail subsidy, and re-erection of telephone wires.

The decrease in Public Works Extraordinary, Rs. 1,240,903·10, was chiefly due to the fact that Rs. 1,000,000 on account of the cost of duplication of the water main were charged to revenue in 1904.

The increase under Irrigation Department is due to the fact that part of the expenditure for 1904 was charged to Loan Funds.

#### (C.) ASSETS AND LIABILITIES.

8. According to the accounts of the Colony, the assets on December 31st, 1905, amounted to Rs. 17,158,632·92, and the liabilities to Rs. 13,739,564·94; thus the excess of assets over liabilities was Rs. 3,419,067·98. As, however, the former includes a sum of Rs. 1,597,465 (advances, &c.) not available for appropriation, and is exclusive of sums amounting to Rs. 4,610,397·82 which have been met from revenue, but will ultimately be charged to the loan authorized by Ordinance No. 1 of 1905, the real balance available on January 1st, 1906, was Rs. 6,432,000·80.

#### (D.) PUBLIC DEBT, SHOWING PROVISION FOR PAYMENT.

9. The raising of a loan of £1,000,000, by the sale of debentures or inscribed stock was authorized by Ordinance No. 1 of 1905, but has not yet been carried out.

10. The balance due by the Colony on December 31st, 1905, on outstanding sterling loans raised by the Crown Agents in London was £4,670,306 17s. 9d., and that on locally raised silver loans Rs. 3,161,797·99, or a total in Ceylon currency of Rs. 73,216,401·30, or roughly 2½ the revenue of the Colony.

Provision is made for the repayment of all loans by means of a sinking fund.

#### (E.) CURRENCY AND BANKING.

11. The currency of Ceylon consists of:—

- (1) Copper: Ceylon 5 cent, 1 cent, ½ cent, and ¼ cent pieces.
- (2) Silver: the India rupee, with subsidiary Ceylon 50 cent, 25 cent, and 10 cent pieces.
- (3) Gold: British sovereigns, which are legal tender at Rs. 15 per £.
- (4) Ceylon Government notes of Rs. 1,000, 100, 50, 10, and 5.

12. On December 31st, 1905, the value of notes in circulation was Rs. 12,767,915, against which the coin reserve consisted of gold value Rs. 2,444,010, and silver Rs. 3,398,309·95, the balance being invested in Indian securities Rs. 2,308,109·05, and investments by Crown Agents Rs. 4,617,486·02.

13. The Chartered Bank of India, Australia, and China; the Hong Kong and Shanghai Banking Corporation; the Bank of Madras; the Mercantile Bank of India, Limited; and the National Bank of India, Limited, do business in the Colony.

(F.) COMPARATIVE STATEMENT OF THE TOTAL REVENUE AND EXPENDITURE OF MUNICIPALITIES FOR THE FIVE YEARS ENDED DECEMBER 31, 1905.

Name of Municipality.	Revenue or Expenditure.	1901.	1902.	1903.	1904.	1905.
		Rs. c.	Rs. c.	Rs. c.	Rs. c.	Rs. c.
Colombo ..	{ Revenue ..	1,230,005 20	1,405,838 88	1,337,344 8	1,587,907 46	1,561,742 10
	{ Expenditure	1,306,378 56	1,176,737 7	1,494,429 40	1,656,137 70	1,387,377 96
Kandy ..	{ Revenue ..	181,107 91	173,202 85	199,303 84	182,150 47	188,553 17
	{ Expenditure	186,728 3	186,364 63	196,217 71	179,563 10	207,938 78
Galle ..	{ Revenue ..	86,223 74	91,652 67	92,986 64	95,911 95	104,899 23
	{ Expenditure	94,009 28	92,535 45	88,115 81	86,563 57	101,473 50

STATEMENT OF DEBTS OF MUNICIPALITIES UP TO END OF 1905, SHOWING  
PROVISION FOR PAYMENT.

Name of Municipality.		Amount of Debt.	On what account.	Provision for Payment.
Colombo ...	...	Ra. Nil.	—	—
	...	164,706 76	Waterworks construction ...	Water-rate of 6 per cent. on properties within certain portions of the Municipality (Ordinances Nos. 18 and 29 of 1884).
Kandy ...	...	90,699 0	Acquisition of lands above reservoir	Bond assigning portion of water-rate, as authorised by Ordinance No. 7 of 1887.
	...	18,000 0	To widen Victoria Drive and clear lake silt.	Bond assigning portion of rates and taxes under sections 127 (a) and (b), 128, 129 and 130 of Ordinance No. 7 of 1887.
	...	14,703 59	For repairing main sewer and constructing new drains.	Do. do.
Galle ...	...	55,763 91	Construction of waterworks ...	A water-rate of 5 per cent. is levied within the Fort for repayment of loan.
	...	36,508 3	Sanitary improvements ...	Mortgage of stamp duties on licences for carts, boats, and coaches; and also stamp duties under Licensing Ordinances of 1893 and 1897.
Total ...	...	380,381 29		

## (G.) LOCAL BOARDS.

There are 18 Local Boards in Ceylon. In 1905 their total revenue amounted to Rs. 272,985·18, and their total expenditure to Rs. 321,757·31.

Loans are made by Government to Local Boards for approved purposes, such as waterworks, drainage, erection of market, &c., on the security of their revenue. Those outstanding on December 31st, 1905, amounted to Rs. 317,316·48.

## II.—TRADE, AGRICULTURE, AND INDUSTRIES.

## (A.) IMPORTS AND EXPORTS.

1. The year 1905 was a prosperous one for Ceylon trade, the aggregate value of imports and exports, omitting specie, being Rs. 224,078,800, which was an increase of Rs. 4,234,200 over that of 1904, and of 3½ million rupees over that of any previous year.

2. The following table shows the distribution of imports and exports for the last five years in lacs of rupees; specie and coal exported for the use of steamers are omitted:—

Year.	United Kingdom.		British Possessions abroad.		Foreign Countries.	
	Imports from	Exports to	Imports from	Exports to	Imports from	Exports to
1901 ... ..	301	501	628½	164	110½	207½
1902 ... ..	268½	536½	599½	161½	110½	284½
1903 ... ..	257½	541½	633½	165	117½	315
1904 ... ..	260½	511½	665½	183	127	316½
1905 ... ..	251½	539½	705½	190	126½	292½

3. From this it will be seen that the value of imports from the United Kingdom fell roughly 3·4 per cent. as compared with 1904, while those from foreign countries fell 6 per cent., and those from British Possessions abroad increased by 6 per cent. in value; or of the total imports:—

65·1 came from British Possessions as against 63·2 in 1904.

23·3 came from United Kingdom as against 24·7 in 1904.

11·6 came from Foreign Countries as against 12·1 in 1904.

Of the total exports:—

52·8 went to United Kingdom as against 50·6 in 1904.

28·6 went to Foreign Countries as against 31·3 in 1904.

18·6 went to British Possessions abroad as against 18·1 in 1904.

### *Imports.*

4. The value of imports, omitting specie, for 1905 was Rs. 108,324,328, as against Rs. 105,324,720 in 1904. The principal increase was in imports from British Possessions abroad, the value of which rose from Rs. 66,576,728 to Rs. 70,528,784.

Over half this amount is for grain from India. The value of the rice imported from British India and Burma in 1905 was Rs. 37,234,500, as against Rs. 34,249,000 in 1904, and the total quantity of rice imported, over 10½ million bushels, was the highest on record.

The quantity of spirits imported rose from 193,140 to 215,210 gallons, the increase in gin—of which 71,572 gallons were imported—being 17,699 gallons. The quantity of whisky rose slightly from 77,784 to 78,538, and of brandy from 42,413 to 45,563 gallons.

The value of kerosine oil imported, Rs. 1,192,000, shows a falling off of Rs. 573,500, a million gallons less than in 1904 being imported, largely owing to the unrest at Baku.

As regards specie there was a considerable decrease in both exports and imports; of gold 31·6 lacs of rupees in value only were imported—a falling off of 6 lacs; and of silver 37·3 lacs—a falling off of 36 lacs; the export of specie fell from 31 to 3 lacs.

The chief reason for this was the coming into operation of Ordinance No. 6 of 1903 early in 1904, and the limitation of the Colony's gold reserve to £200,000. The surplus gold in hand (£133,000) was issued for export in January, 1904, since when the gold reserve has not been allowed to exceed the sum named. As a consequence of that issue, silver to the value of Rs. 2,400,000 was imported by the Currency Commissioners in April, 1904, since when they have been in a position to keep up their reserve without importing.

The falling off of 8½ lacs in silver exports is due to the Commissioners refusing silver for export.

The decrease of 6 lacs in the value of the imports of gold is due to the fact that the Commissioners have issued to the banks the gold required by foreign and British men-of-war entering the Port, and so saved them the necessity of exercising their option of taking gold from shipments from Australia in transit.

The amount of coal imported from the United Kingdom fell from 308,208 tons to 215,382. The figures for 1904 were, however, considerably in excess of the average, and the decrease in 1905 has been counterbalanced to some extent by an increase of 86,000 tons in the first quarter of 1906. Imports from India rose from 300,500 to 362,700 tons, owing to the increasing popularity of Bengal coal, which is of fair quality and of comparatively moderate price. The coal consumed in the Island amounted only to 60,000 tons, 678,239 tons of that imported being re-exported for the use of steamers in 1905.

5. The following table shows the comparative values for 1904 and 1905 in round numbers of some of the chief imports. The notes point to some of the most marked cases where foreign goods are superseding those of British manufacture:—

—	Imports from—					
	United Kingdom.		British Possession Abroad.		Foreign Countries.	
	1904.	1905.	1904.	1905.	1904.	1905.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cotton Piece Goods—						
(1) Bleached .. ..	1,640,000	1,675,500	215,500	157,500	24,500	13,000
(2) Dyed .. ..	416,500	718,000	1,380,500	1,535,500	608,500	724,500
(3) Grey .. ..	686,500	1,163,000	10,000	28,000	79,500	107,000
(4) Muslin .. ..	37,000	26,500	4,000	7,000	1,500	600
(5) Printed .. ..	758,000	973,500	26,000	20,500	22,500	13,500
(6) Other .. ..	244,500	407,500	117,500	118,500	42,500	153,500
Apparel made up .. ..	245,500	203,500	31,500	33,000	138,000	288,000
Flannel .. ..	83,000	64,000	9,500	12,200	36,000	60,000
Silk and satin, broad stuffs .. ..	86,850	62,700	62,800	41,700	154,000	178,000
Huberdashery .. ..	745,200	852,000	663,000	816,000	111,500	130,200
Hardware .. ..	791,500	894,750	23,500	16,000	128,000	141,000
Cement .. ..	96,000	110,000	—	—	88,000	123,000
Galvanized iron .. ..	532,000	597,000	500	4,000	65,000	122,000
Hoop iron .. ..	69,500	88,000	18,000	14,000	105,500	146,500
Cast steel .. ..	65,500	72,250	3,700	2,000	62,000	127,500
Manures (manufactured) .. ..	180,000	213,000	1,094,500	1,128,000	591,500	555,500
Biscuits .. ..	201,000	232,500	9,500	9,000	85,000	55,000
Milk (preserved) .. ..	7,500	9,500	1,330	2,760	268,400	285,800
Refined sugar .. ..	67,500	59,500	1,287,000	1,806,800	693,000	1,051,300
Potatoes .. ..	3,800	3,700	174,100	173,500	167,100	189,500

6. (a.) Cotton Piece Goods.—English imports on the whole showed a very satisfactory increase of 31 per cent. from Rs. 3,781,500 to Rs. 4,963,000, and foreign an increase of 30 per cent. from Rs. 779,000 to Rs. 1,012,100.

(1) Bleached goods from India fell from Rs. 215,000 to Rs. 157,500 in value. The falling off under foreign goods is due to the fact that none were imported from Switzerland and Belgium, whose imports were valued at Rs. 16,250 and Rs. 4,000 respectively in 1904.

(2) Dyed piece goods showed a phenomenal increase all round, the English increasing in value 72 per cent. Belgian goods increased from Rs. 1,700 to Rs. 39,000, and Austrian from Rs. 1,700 to Rs. 10,000 in value.

The largest foreign imports were from Holland Rs. 270,500 (a decrease of Rs. 20,250), Germany Rs. 200,500 (an increase of Rs. 107,000 on those of 1904), and Switzerland Rs. 107,000 (decrease of Rs. 17,000). Indian rose from Rs. 1,378,500 in 1904 to Rs. 1,529,500.

(3) Grey, of English manufacture, show an increase of 70 per cent. The foreign are practically all American. Indian increased from Rs. 10,000 to Rs. 28,000 in value.

(4) Other.—The value of German goods rose from Rs. 20,500 to Rs. 91,500. The next largest supplies were from Belgium, Rs. 19,000, and Japan, Rs. 13,000.

(b.) Apparel made up.—English manufactures show a decrease of 17 per cent., while foreign show an increase of 112 per cent. The largest increase was in German manufactures, viz., from Rs. 81,750 to Rs. 208,350. Japan is second to Germany, with value Rs. 58,500.

(c.) Flannel.—Imports from the United Kingdom decreased 35 per cent., while foreign imports increased 66 per cent. From Germany the imports increased in value from Rs. 25,400 to Rs. 54,000, and from Italy from nil to Rs. 2,850.

(d.) Silk Broad Stuffs.—The total imports fell in value from Rs. 302,650 in 1904 to Rs. 272,400 in 1905.

English manufactures decreased in value from Rs. 118,880 in 1903 and Rs. 85,850 in 1904 to Rs. 52,700, and those from British Possessions abroad also by 34 per cent., while foreign increased 15 per cent. Those from Japan (value Rs. 50,600) show a falling off of Rs. 3,000 and those from Switzerland (Rs. 4,500) of Rs. 5,900, but those from China (Rs. 32,250) an increase of Rs. 13,500, from France (Rs. 34,300) an increase of Rs. 6,500, from Germany (Rs. 14,600), an increase of Rs. 3,300, from Holland (Rs. 41,000) an increase of Rs. 9,500.

The average value per yard of English make was Re. 1·17, of that from France Re. 1·19, from Germany 97 cents, from Japan 70 cents, from India 33 cents, and that from Holland 32 cents.

(e.) Haberdashery.—English imports show an increase of 14 per cent., colonial 23 per cent., and foreign 17 per cent. Supplies from Germany were valued at Rs. 71,600 as against Rs. 59,000 in 1904, and from Austria at Rs. 24,750 as against Rs. 14,000. Those from France, however, show a decrease from Rs. 18,500 to Rs. 7,000. Indian goods rose from Rs. 635,000 to Rs. 773,500, and those from the Straits Settlements from Rs. 20,000 to Rs. 33,500.

(f.) Hardware.—English imports increased 13 per cent. and foreign 10 per cent. German rose from Rs. 60,250 to Rs. 89,000, while Austrian decreased from Rs. 39,500 to Rs. 25,500 and American from the United States from Rs. 20,000 to Rs. 17,250.

(g.) Cement.—The value of cement from Germany rose from Rs. 53,000 to Rs. 90,500.

(h.) Galvanized iron.—Foreign imports increased 106 per cent. The value of German increased Rs. 54,500 to  $2\frac{1}{2}$  times the value of the 1904 imports. Austrian increased Rs. 25,500, while Belgian decreased Rs. 15,500, the value of imports from those countries in 1904 being nil, and Rs. 18,730 respectively.

(i.) Hoop iron.—British manufacture shows satisfactory increase of 26 per cent, and foreign 39 per cent. The value of German imports rose from Rs. 66,000 to Rs. 107,000, while that of Belgian fell from Rs. 37,900 to Rs. 20,700. Austrian also rose from Rs. 600 to Rs. 18,000.

(j.) Cast steel of foreign manufacture rose over 100 per cent. and British 11 per cent. German rose from Rs. 52,000 to Rs. 90,500 and Belgian from Rs. 9,650 to Rs. 35,500 in value.

(k.) In manufactured manures foreign imports fell 6 per cent. The foreign are nearly all German and the chief decreases were blood-meal manure (Rs. 15,000) and basic slag (Rs. 23,000). In the latter the value of imports from the United Kingdom decreased Rs. 8,000; in the former it increased Rs. 37,000.

(l.) Biscuits.—Foreign imports fell 35 per cent. The value of German biscuits (Rs. 54,750) continued to fall from Rs. 84,600 in 1904 and Rs. 107,000 in 1903.

(m.) Refined sugar from British Possessions rose 25 per cent., that from Hong Kong increasing to Rs. 420,000 (43 per cent.) and sugar valued Rs. 44,000 being imported from New South Wales.

Of foreign sugar the largest increase was in that from Java, from which the imports of 1905 were valued at Rs. 488,750 as against Rs. 35,000 in 1904 and nil in 1903.

The value of Austrian sugar fell from Rs. 541,000 in 1904 to Rs. 460,000, of German from Rs. 42,000 to Rs. 13,000, while that from China rose from Rs. 13,500 to Rs. 39,000.

(n.) Potatoes from British Possessions are all from India; the foreign from Italy, value Rs. 157,000, and France Rs. 29,500.

Pig lead rose in value from Rs. 291,000 to Rs. 489,000, and tea lead decreased from Rs. 776,250 to Rs. 498,750, chiefly owing to the establishment of a lead-rolling factory in Colombo.

7. The following table gives the foreign countries which export the largest number of articles to Ceylon in order, showing the value of the imports in 1903, 1904, and 1905, and the decrease or increase in trade:—

	Imports from Foreign Countries.			Difference compared with	
	1903.	1904.	1905.	1903.	1904.
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Germany .. .. .	2,061,008	2,452,637	2,662,913	+ 631,905	+ 240,276
2. Japan .. .. .	1,583,483	1,757,074	1,623,854	+ 40,371	- 153,220
3. Russia .. .. .	867,421	1,445,802	863,281	+ 85,870	- 462,511
4. Austria .. .. .	885,006	841,819	873,381	- 108,745	+ 36,442
5. United States of America..	721,887	725,963	801,157	+ 79,270	+ 75,194
6. France .. .. .	744,550	750,635	755,239	+ 10,689	+ 4,604
7. Holland .. .. .	488,582	663,938	677,508	+ 188,924	+ 23,568
8. Belgium.. .. .	469,883	377,162	544,593	+ 74,683	+ 167,404
9. Switzerland .. .. .	370,762	438,662	431,801	+ 61,039	- 6,861
10. Italy .. .. .	369,440	270,540	322,936	- 46,504	+ 52,396
11. Sweden .. .. .	250,442	184,364	182,530	- 68,112	- 2,534
Total of all Foreign Countries omitting Specie.	11,726,139	12,700,007	12,624,888	+ 896,749	- 75,119

8. From this it appears that the value of imports from Germany continues to increase, though not so rapidly as in 1904. In 1905 German imports formed 21·5 per cent. of the total foreign imports, being over one million rupees, or 66 per cent. in excess of the Japanese, the next on the list.

The chief articles from Germany are manures (Rs. 543,000), apparel made up (Rs. 208,500), dyed piece goods (Rs. 200,500), hoop iron (Rs. 107,000), piece goods, other (Rs. 191,650), cement (Rs. 90,500), cast steel (Rs. 90,500), and hardware (Rs. 89,000), the increases in which have been already noted.

Iron nails and rivets also rose from Rs. 24,200 to Rs. 59,600 in value.

9. The imports from Japan formed nearly 13 per cent. of the total foreign imports. There was a falling off in their value compared with 1904, doubtless owing to the Russo-Japanese war. The chief imports are tea chests (Rs. 882,800), a decrease of Rs. 123,400, coal (Rs. 470,000), apparel made up (Rs. 58,500), and silk broad stuffs (Rs. 50,600).

10. Russian imports show a large falling off. They are practically confined to kerosine oil, which was valued at Rs. 976,850 as against Rs. 1,391,600 in 1904. The cause of the reduction has been already noted.

11. Austria regained some of the ground lost in 1904. Her chief exports to Ceylon are refined sugar (Rs. 460,150) a decrease of Rs. 81,000 as already noted, casks and shooks (Rs. 83,750 as against Rs. 6,150 in 1904), matches (Rs. 43,750 as against Rs. 20,600 in 1904), writing paper (Rs. 29,000 as against Rs. 18,850), and haberdashery (Rs. 24,750 as against Rs. 14,150.)

12. French imports show a small increase. The chief are brandy Rs. 317,900 (as against Rs. 308,600 in 1904), wines Rs. 149,500 (as against Rs. 152,300), umbrellas Rs. 40,850 (as against Rs. 33,480).

13. The increase on imports from the United States is chiefly due to kerosine oil, which was valued at Rs. 189,250 as against Rs. 121,450 in 1904, the increase being caused by the decrease of Russian oil from Baku, and grey piece goods Rs. 105,250 (as against Rs. 79,500).

14. Imports from Belgium show an increase of 44 per cent. on 1904, and more than recover the ground lost in that year.

Flat iron, bar and rod (Rs. 61,500), showed a decrease of Rs. 3,000 in value, but galvanized iron (Rs. 58,250) an increase of Rs. 18,750, refined sugar (Rs. 49,450) an increase of Rs. 21,850, iron nails and rivets (Rs. 45,250) an increase of Rs. 30,000, dyed piece goods (Rs. 39,250) an increase of Rs. 22,250, cast steel (Rs. 35,500) an increase of Rs. 25,500, iron drums (Rs. 34,500) an increase of Rs. 14,500, and window glass (Rs. 29,500) an increase of Rs. 20,000.

15. The following table shows the comparative figures for the last three years:—

—	1903.	1904.	1905.
	Rs.	Rs.	Rs.
Value of Ceylon Produce ...	100,871,566	99,894,461	100,898,551
Value of Imports exported ...	1,356,167	1,214,415	1,291,158
Value of Specie ...	6,536,612	3,157,050	300,350
Total ...	108,764,335	104,265,926	102,490,059

16. The value of Ceylon produce taken by the United Kingdom was Rs. 53,827,187, as against Rs. 51,062,777 in 1904 and Rs. 53,875,036 in 1903.

By British Possessions abroad, Rs. 18,025,305 as against Rs. 17,313,474 in 1904 and Rs. 15,630,593 in 1903.

By foreign countries, Rs. 29,046,059 as against Rs. 31,518,210 in 1904 and Rs. 31,365,927 in 1903.

17. Compared with 1904 the value of Ceylon produce exported increased Rs. 1,004,090, or 1 per cent.

18. The most notable decrease was in the value of copra—from Rs. 7,973,545 in 1904 to Rs. 4,904,209—due in a great measure to the competition now being experienced with the Malay Archipelago and South Sea Islands, and also to the fact that the freight from Ceylon for the product has been increased.

The falling off was partly compensated for by increased export of cocoanut oil for the manufacture of which copra is exported.

19. Of the value of Ceylon produce exported the products of the cocoanut palm represent over 22 per cent., and tea, roughly, 60 per cent.

20. The following table shows the countries which take the largest amount of Ceylon produce, giving the value of the exports to them in 1903, 1904, and 1905:—

Exports to—	In 1903.	In 1904.	In 1905.	1905 compared with	
				1903.	1904.
	Rs.	Rs.	Rs.	Rs.	Rs.
1. United States of America...	8,545,632	8,193,536	8,161,821	- 393,811	- 41,715
2. Germany .. .. .	7,489,244	8,664,261	6,568,464	- 500,830	- 2,097,787
3. British India .. .. .	3,654,483	4,708,931	5,071,733	+1,415,250	+ 362,802
4. Russia .. .. .	6,018,748	4,992,282	4,415,455	-1,403,288	- 576,827
5. New South Wales .. .. .	2,875,004	3,568,907	3,485,672	+ 690,868	- 101,235
6. Victoria .. .. .	2,633,019	3,046,823	2,994,746	+ 343,727	- 50,077
7. Austria .. .. .	1,163,378	1,975,232	2,982,889	+1,799,013	+ 987,157
8. Belgium .. .. .	2,492,663	2,834,397	1,955,701	- 636,962	- 838,606
9. China, excluding Hong Kong .. .. .	1,860,766	683,094	1,26,360	- 360,406	+ 138,264
10. France .. .. .	1,751,506	1,840,939	1,387,542	- 336,964	- 478,397

21.—(a.) From this table it appears that the United States have again taken their place above Germany as the largest consumer of Ceylon produce, although the value of that taken by them has decreased Rs. 41,715 compared with 1904.

Of exports to United States of America, tea fell in value from Rs. 2,019,373 to Rs. 1,740,953, cocoanut oil from Rs. 2,360,070 to Rs. 1,906,460, while plumbago rose from Rs. 2,535,813 to Rs. 2,912,902, desiccated cocoanut from Rs. 463,642 to Rs. 658,634, and citronella oil from Rs. 401,586 to Rs. 490,512.

(b.) The serious falling off in exports to Germany of Rs. 2,097,787, or 24 per cent. on the total for 1904, is chiefly due to copra, which fell Rs. 1,693,831 or 48 per cent. in value, cacao, which fell Rs. 176,823 or 34 per cent. in value, and cocoanut oil, which fell Rs. 172,506 or over 53 per cent. Plumbago (Rs. 1,294,360) remained practically constant as did desiccated cocoanut (Rs. 451,968). Poonac (Rs. 632,953) fell Rs. 65,539, cardamoms (Rs. 83,419) Rs. 30,050, and tea (Rs. 359,104) Rs. 58,129.

The chief increases were in cinnamon, Rs. 807,404 as compared with Rs. 713,153, coir fibre Rs. 199,279 as compared with Rs. 130,410, and citronella oil Rs. 101,461 as compared with Rs. 51,400.

(c.) Russia.—The decline of 11 per cent. was chiefly due to copra, which fell from Rs. 1,088,125 to Rs. 446,265 in value.

Tea (Rs. 3,930,967) and plumbago (Rs. 33,497) showed slight increases.

(d.) The value of exports to Austria shows a steady increase. The value of cocoanut oil exported rose from Rs. 1,199,304 to Rs. 1,522,214; that of copra from Rs. 600,656 to Rs. 1,226,490, and of tea from Rs. 51,464 to Rs. 105,623.

(e.) The decrease in exports to Belgium was mainly in copra, which fell from Rs. 989,481 to Rs. 149,196, cacao (Rs. 4,977 as against Rs. 24,246 in 1904), desiccated cocoanut (Rs. 93,733 as against Rs. 115,903 in 1904). Plumbago (Rs. 635,146), poonac (Rs. 388,866), coir fibre (Rs. 192,889), and cinnamon (Rs. 171,790) showed small increases.

(f.) China.—The value of tea exported to China, excluding Hong Kong, was Rs. 1,504,904 as against Rs. 673,617 in 1904, but was still Rs. 357,451 less than that of 1903.

(g.) Exports of tea to France fell from Rs. 217,629 to Rs. 138,956, of copra from Rs. 1,298,432 to Rs. 999,838, and of cocoanut oil from Rs. 92,682 to Rs. 167.

(h.) Exports of plumbago to Japan increased in value from Rs. 85,213 to Rs. 270,399.

(i.) The value of exports to Italy fell from Rs. 606,374 to Rs. 180,389, that of copra falling from Rs. 308,174 to nil, of cinnamon from Rs. 180,985 to Rs. 146,312, and of cocoanut oil from Rs. 73,900 to nil.

22. The following table shows the value in round numbers of the staple exports of the Colony, excluding tea:—

	To United Kingdom.		To British Possessions Abroad.		To Foreign Countries.	
	1904.	1905.	1904.	1905.	1904.	1905.
Products of Cocoanut	Rs. 7,883,500	Rs. 8,983,000	Rs. 1,098,000	Rs. 1,438,000	Rs. 15,428,500	Rs. 12,048,000
Palm.						
Plumbago .. ..	1,800,000	1,929,500	40,500	33,500	4,680,000	5,207,500
Cinnamon .. ..	328,000	296,000	66,500	81,000	1,877,500	1,985,000
Cacao .. ..	1,569,000	1,611,000	235,000	333,500	663,500	489,000

23. From this it appears that the total value of products of the cocoanut palm exported fell from Rs. 24,409,000 in 1904 to Rs. 22,448,000 in 1905.

24. The value of copra to foreign countries alone fell 3 million rupees for reasons already noted.

Plumbago exports show a total increase in value of Rs. 670,000; 612,848 cwt. being exported as against 521,204 in 1904.

The total value of cacao exported has fallen Rs. 14,000; that to foreign countries having fallen Rs. 174,500 and that to British Possessions abroad having increased Rs. 129,500, and to the United Kingdom Rs. 52,000.

The total export of cinnamon has increased in value Rs. 40,000, foreign countries and British Possessions abroad having made up for decreased export to the United Kingdom.

The quantity of rubber exported was 1,401 cwt., as against 676 cwt. in 1904, and 387 in 1903, and there is every prospect of the rapid expansion of the export of this product.

### Tea.

25. A total of 170,183,572 lb. of tea was exported in 1905 as against 157,929,342 lb. in 1904, the average value being 35 cents per lb., as against 36 cents in 1904, and 39 cents in 1903.

26. Of these 170 million lb., 112 million went to the United Kingdom or 7·7 million in excess of the amount exported in 1904, 11·2 to Russia (an increase of ·6), 9·25 to New South Wales (a decrease of ·12), 8 to Victoria (increase of ·2), 6·4 to Canada (increase of ·48), 5 to United States (decrease of ·6), 4 to New Zealand (increase of ·3), and 2 to South and West Australia.

27. The total value of tea exported in 1905 was estimated at Rs. 59,564,245 as against Rs. 56,854,563 in 1904.

28. The total quantity of green tea exported was 3 million lb., as against 5·4 in 1904 and 8·2 in 1903.

The following table shows the fluctuation in the export of green tea during the past five years:—

Year.	Exported to		United States of America.	Russia.
	United Kingdom.	Canada.		
	Lb.	Lb.	Lb.	Lb.
1901... ..	260,949	549,013	360,373	40,122
1902... ..	411,514	736,534	1,264,303	133,180
1903... ..	1,794,853	2,695,628	3,522,444	152,388
1904... ..	1,736,795	1,584,838	1,596,446	425,657
1905... ..	264,807	1,285,300	621,859	855,121

### Customs Revenue.

29. The revenue derived from Customs dues in 1905 was the highest ever reached, surpassing that of 1904, the previous record, by Rs. 318,553·64. The following table shows the

income from this source for the ten years beginning from 1896:—

*Gross Customs Revenue for the Ten Years ended 1905.*

Year.				Revenue.	
				Rs.	c.
1896	...	...	...	5,550,971	65
1897	...	...	...	6,278,787	49
1898	...	...	...	6,714,625	82
1899	...	...	...	7,101,851	73
1900	...	...	...	7,620,432	29
1901	...	...	...	7,446,807	26
1902	...	...	...	7,630,175	62
1903	...	...	...	8,043,062	94
1904	...	...	...	8,334,431	74
1905	...	...	...	8,652,985	38

30. The chief increases in 1905 were on grain (Rs. 211,412), spirits (Rs. 111,355), cotton manufactures (Rs. 55,227), other goods (Rs. 34,171), and sugar (Rs. 31,821.55). The duty on kerosine oil decreased by Rs. 143,438.

31. The chief articles contributing to the revenue in 1905 were:—

—				Amount.	
				Rs.	
Grain	...	...	...	3,330,495	
Spirits	...	...	...	1,097,223	
Kerosine Oil	...	...	...	797,502	
Sugar	...	...	...	626,099	
Cotton Goods	...	...	...	325,120	

(B.) MINES, MANUFACTURES, AND FISHERIES.

*Pearl Fishery.*

1. For the third year in succession, after a spell of twelve practically blank years prior to 1903, a pearl fishery took place in 1905.

2. As usual a camp was built especially for the fishery at Marichchikkaddi, and between 30,000 and 40,000 people were accommodated there. The health and sanitation of the camp proved satisfactory, and save one bad case of dacoity—the offenders in which have since been brought to justice and a large part of their booty recovered—no serious crime occurred.

Two fires, however, broke out, and the buildings being temporary ones of inflammable material, one of them resulted in considerable damage being done.

3. 923 of the 4,991 divers present were Arabs, and security having been taken for their good behaviour prior to licensing them, their conduct was good throughout.

4. 318 boats took part in the fishery, and on 48 days between February 20th and April 21st oysters were brought to camp. Their total number was very nearly double that of any preceding fishery, and the Government share amounted to 49,878,616, the sale of which by auction on the spot realised Rs. 2,060,970, or an average of Rs. 40·29 per thousand, as against Rs. 38·39 in 1904 and Rs. 29·72 in 1903.

5. The total revenue derived from the fishery and camp amounted to Rs. 2,626,175, and the expenditure to Rs. 220,530, and the net profit Rs. 2,405,645 was over a million and a third rupees in excess of that of 1904, which was the previous highest on record.

6. The Inspector of Pearl Banks anticipated an excellent fishery in 1906, but that after a probably small fishery in 1907 and, perhaps, 1908, another break in the fishery cycle was likely.

7. It has been decided to lease the fishery to "The Ceylon Company of Pearl Fishers, Limited," for a period of 20 years as from January 1st, 1906, for a sum of Rs. 310,000 per annum, it being stipulated that a sum shall be annually expended by the Company upon the improvement of the fishery—not less than Rs. 50,000, to be increased at the discretion of the Government to any sum not greater than Rs. 150,000—and that all the expenses of the supervision and protection of the fishery camp by Government shall be borne by the Company.

8. The third and fourth volumes of Professor Herdman's work on the Ceylon Pearl Banks have been published, and his recommendations will be tested.

#### *The Mineralogical Survey.*

1. The mineralogical survey has been continued during 1905. The two officers have worked mainly in Sabaragamuwa, but also in the Western and Southern Provinces, and tours have been made through parts of the North-Western, North-Central, and Eastern Provinces.

2. The year has been remarkable for the discovery of thorianite, to which much attention has been given by private prospectors; a number of new localities, where amounts not exceeding a few cwt. were obtained, have been found by the Survey and others. The Survey discovery of the occurrence of

thorianite as a microscopic constituent of river sands in the Ratnapura District may prove important.

3. Monazite has also been discovered and proves to be of widespread occurrence in Ceylon river sands. Small deposits of cassiterite and galena have been found, as well as molybdenite. Observations on the mode of occurrence, and possible origin, of graphite have been made.

4. It has been decided to continue the operations of the survey till the end of 1906, making its period one of nearly four years. During 1906 the principal work undertaken will be the continued examination of river sands and search for heavy minerals containing rare elements.

### *Mining.*

1. The output of plumbago, in spite of the falling of value from Rs. 20·88 per cwt. in 1902 and Rs. 12·50 in 1903 and 1904 to Rs. 11·70, which in some cases leaves barely sufficient margin to cover expenses, shows an increase over previous years, and 612,848 cwt. were exported.

2. The mines are chiefly in the Ratnapura and Kurunegala Districts and are mostly managed by native capitalists. In Dumbura in the Ratnapura District a European Syndicate is carrying on operations, and the prospects are said to be favourable, but the industry is one whose operations are attended with great uncertainty.

3. Gemming was carried on more extensively than in 1904 in the Ratnapura District, the year being an unusually dry one, and some very valuable finds were reported.

4. It is also carried on in the Matara District and parts of the Kandy District.

### *Salt.*

The manufacture of salt is a Government monopoly. Fine weather prevailed during the salt harvest season and good supplies were collected in Puttalam (396,417 cwt.), Hambantota (164,532 cwt.), Trincomalee (75,600 cwt.), and in the Northern Province (63,088 cwt.), so that it was found possible to discontinue the importation of Indian salt necessary in 1903 and 1904 and stock the stores then erected for it in Colombo, Galle, and Haputale with that locally produced. Government stores have been opened at suitable centres with a view to keeping the retail price as low and as uniform as possible. Salt is sold by Government at Rs. 3·50 per cwt. at manufacturing centres.

### *Manufactures.*

1. Indigenous crafts of the Kandyan country are silver and brass work, the making of jewellery, earthenware, tiles, bricks,

and painted pottery, the plaiting of fibre mats and weaving of cloths, lacquer work, and ivory carving.

2. Good work is being done by the Kandyan Art Association in encouraging a high standard of excellence, especially in brass and silver work, and discouraging the crude imitations of Western patterns, which has done so much to injure native art both in India and in Ceylon.

3. In other districts the making of coir rope from cocoanut husks, of mats, bricks and tiles, common earthenware for water pans, &c., is generally pursued for local wants, and also carpentry and blacksmiths' work.

4. Cloth of a coarse description is woven in the Manmunai pattu of the Eastern Province, where over 600 looms are working, and also in the Northern Province.

5. In the Eastern Province brass work for utilitarian purposes—for the making of lamps, betel stands, plates, and water pots—is carried on at over 50 foundries.

6. The manufacture of jewellery is steadily increasing in the Northern Province.

7. Cigars are made in the Northern and part of the Central Province. The Jaffna cigar, very small, strong, and cheap, is consumed almost exclusively by the natives of Ceylon.

#### (C.) AGRICULTURE.

1. The Ceylon Agricultural Society, founded in November, 1904, increased its membership in 1905 from 197 to 944, with 40 Branch Societies, the members of which are 2,250 in number.

2. It aims at the improvement and development of local industries as well as the dissemination of new products; also at improving the breed of cattle and poultry.

3. Experimental gardens have been opened by nearly all the branches and village schools, and home gardens have been considerably extended.

4. The principal experiments made by the Society in 1905, with the guidance and assistance of the scientific staff of Peradeniya, were with ground-nuts, new varieties of paddy, cotton, lemon grass, rotation of crops on paddy fields, transplantation of paddy, English vegetables, and fruit trees.

Experiments are also being made in sericulture at Peradeniya by the Government Entomologist.

Five Agricultural Shows were held during the year in different parts of the Island.

5. The most remarkable development during 1905 was the planting of rubber, under which there were at the end of 1905

some 40,000 acres as compared with 11,000 in 1904 and 7,500 in 1903, and the value of rubber exported in 1905 was Rs. 557,945 as compared with Rs. 221,000 in 1904.

6. Various new methods of tapping have been under trial during the year, and some have given favourable results. A very useful book upon Para rubber has been published by Mr. Herbert Wright, and the first edition of 1,000 copies was sold out in less than four months, a comment upon the interest being taken in this product. Rubber planting is being taken up by natives to a small extent, and interesting experiments are being tried by the Botanical Department upon its cultivation under irrigation in the North-Central Province.

7. Camphor cultivation has been slightly extended during the year, and further extension is probable.

8. The output of citronella oil (1,242,800 lb.) has improved 80,000 lb., the price having risen from 75 cents to 84 cents per lb. Consignments of a really pure oil, grown at the Peradeniya Experiment Station, have been sent home, and have aroused considerable interest among manufacturers, who have probably never seen pure oil before. These pure oils will not pass Schimmel's test, hitherto the standard for this oil, a fact which in itself speaks volumes.

9. The cultivation of lemon grass for oil has been proceeded with at the Peradeniya Experiment Station, with fairly favourable results, and as the price of this oil is rising, its cultivation may prove profitable.

10. In fibres the cultivation of cotton is being promoted and the cotton experiments are being continued at Maha-Iluppalama in the North-Central Province by the Botanical Department. The yield there, especially of the Sea Island variety, has been fairly good, but the quality has not proved satisfactory owing to want of experience in the cultivation and to the mixing of the different sorts of cotton by the coolies when plucking near the places where the fields meet.

11. Coca has been exported in increasing quantity, and Ceylon coca now rules the market as to quality.

12. The output of tea, cacao, cinnamon, and cocoanut products has already been commented on under "Exports."

13. The export of cardamoms has decreased from 9,216 cwt. to 7,888, and the average price has fallen from Rs. 90.75 to Rs. 73.90 per cwt. At the request of the Planters' Association of Ceylon an export duty has been placed on cardamoms to form a fund for finding new markets for the product.

14. Paddy is the staple article of food of the villager, and is grown in all parts of the Island, but not in sufficient quantity to meet the total demands of the population, including Indian

immigrant coolies, and its cultivation extends very slowly. In 1905 rice valued Rs. 38,565,000 and paddy valued Rs. 2,372,200 were imported for consumption, and both show an increase since 1904.

15. Tobacco is extensively grown in the Northern Province in gardens irrigated as a rule with water from wells raised from a depth of from 20 to 35 feet by means of well-sweeps worked by coolies. The tobacco leaves find a ready market at Cochin and Travancore, and the Agricultural Society has decided to employ an expert to improve the quality and curing of the leaves and to endeavour to grow tobacco suitable for the European market.

16. The cultivation of manioc, a valuable article of village food, is also being extended in the Northern Province.

#### (D.) LAND SETTLEMENT, &c.

1. The settlement of waste lands by the special officers made good progress, 201,988 acres being "noticed" and 224,321 acres being finally settled during the year, of which 3,545 acres were declared private property.

2. 35,552 acres of Crown land were sold at an average price of Rs. 35.92 per acre.

3. The demand for land for rubber cultivation continued good.

4. The operations of the Survey Department comprised 161,696 acres block surveys and 259,200 acres topographical surveys.

5. Applications were invited during the earlier part of the year for leases of blocks of land for fifty years on easy terms (the minimum rent being 50 cents per acre per annum) for the experimental cultivation of cotton and rubber in districts where the products had not before been grown, and a fairly large number of the applications received in response were complied with, chiefly in the Uva, North-Western, North-Central, and Southern Provinces.

6. A Commission appointed to consider the question of soil denudation in the Kelani Valley recommended the maintenance of the Kelani Valley reserve, the insistence on sufficient reservation adjoining streams and on hill summits, and the substitution of leases instead of sale outright in the case of land available in the Kelani Valley so that necessary restrictions might be enforced.

7. Amended rules for the sale and lease of Crown lands were published. The minimum upset price has been raised from Rs. 10 to Rs. 15 per acre and separate fees for survey, stamp

duty, preparation of deeds, and headman's inspection have been abolished.

### (E.) SHIPPING.

1. There was a small decrease of shipping in 1905 compared with 1904, 3,664 vessels having entered with a tonnage of 5,605,664 as against 5,719 with tonnage 5,646,026 in 1904. Of these, 1,756 were British, with tonnage 4,040,723, and 1,382 were Colonial (chiefly native sailing ships) with tonnage 97,900. Of the 526 foreign vessels, 198 were German (tonnage 751,405), 139 French (tonnage 419,172), 51 Austrian, and 26 Spanish.

2. The falling off appears to have been due to the Russo-Japanese war, only 3 Russian and no Japanese ships having entered during the year, as against 47 and 69 in 1903.

3. The collection of Colombo Harbour dues amounted to Rs. 1,213,028, the largest yet reached.

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## III.—LEGISLATION.

Among the Ordinances passed in 1905 were:—

1. Ordinance No. 2 of 1905, providing for the registration of medical and surgical practitioners in Ceylon on the lines adopted in the United Kingdom.
  2. No. 4, providing for an export duty on cardamoms to create a fund to meet the expenses of finding new markets for them.
  3. No. 8, amending the existing law relating to the administration of Buddhist temporalities in the Island, *inter alia* by allowing the Government to appoint Government Agents as Commissioners to control the District Committees in their administration of its provisions.
  4. No. 12, an Ordinance for regulating the business of dealers in old metal by removing facilities for disposal of stolen goods, similar to that in force in United Kingdom.
  5. No. 17, prohibiting the cultivation and possession of Indian hemp; the possession and sale of bhang and ganja extracted from it being already forbidden.
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#### IV.—EDUCATION.

1. The system of elementary education in Ceylon and the desirability of making such education compulsory are exhaustively treated in the Report of the Elementary Education Commission, 1905. The Commissioners recommend that such education should be compulsory, but differ from the Commission of 1901 as to the method that should be pursued to effect this. Their recommendations have since been embodied in Ordinance No. 5 of 1906.

##### (A.) VERNACULAR EDUCATION.

2. The following table shows the numerical progress for the last three years:—

Year.	Number of Government Schools.	Attendance.		Number of Aided Schools.	Attendance.	
		Boys.	Girls.		Boys.	Girls.
1903 ...	497	44,631	11,132	1,273	77,619	37,707
1904 ...	507	46,785	11,678	1,316	77,700	39,103
1905 ...	529	52,375	12,829	1,386	85,436	44,144

3. The cost of the Government schools was Rs. 251,150. The grants in aid of the others amounted to Rs. 418,200. Besides these, 36,478 children were reported to be receiving education in unaided schools. The education of a child in the Government schools cost Government Rs. 3·85 (5s. 1½d.) and in an aided school Rs. 3·22 (4s. 3½d.) per annum.

##### (B.) ENGLISH SCHOOLS.

4. In 1905 there were 221 English and Anglo-Vernacular schools attended by 26,043 boys and 5,928 girls, an increase of 1 school and 1,332 pupils over those of 1904.

5. In the majority of these schools the work is confined to the subjects enumerated in the schedule of the School Code.

6. The following is a table showing those who entered for the Cambridge Local Examination:—

			Candidates.		Honours.		Passes.	
			Boys.	Girls.	Boys.	Girls.	Boys.	Girls.
Senior	...	...	228	35	11	4	72	18
Junior	...	...	323	84	19	3	119	43

7. The Government school for boys—the Royal College—has 328 scholars and 18 masters, of whom 5 hold University degrees. The gross cost in 1905 was Rs. 43,806·65, Rs. 19,505 being recovered in fees.

8. Grants amounting to Rs. 132,805 were paid to aided English schools on the result of the Government Examination and for honours in the Cambridge, &c., Examinations.

9. An English University Scholarship, £200 for four years, is awarded annually, also smaller local scholarships, on the results of the Cambridge Examinations, Rs. 19,161·44 being spent altogether on scholarships in 1905.

10. The Government Training College trains teachers chiefly for the aided English schools. At it 12 studentships of Rs. 300 each are provided by Government.

11. Higher technical education is provided at the Government Technical College, the regular channel for the admission of Ceylonese to the Public Works Department, Survey Department, Railway, and Post and Telegraph Department. In 1905, 133 students were attending and paid fees amounting to Rs. 3,604·57. The gross cost to Government was Rs. 50,955.

12. The working of the College, which had formed the subject of criticism, was inquired into by a Special Committee in the middle of the year, who found that the average standard of technical and practical knowledge shown by passed students of the College was not as high as desirable. Their suggestions as to the best means to improve it are being carried out.

13. There are 37 aided industrial schools which received grants amounting to Rs. 49,770 in 1905. Dressmaking, carpentry, painting, bookbinding, shoemaking, tailoring, blacksmith's work, lace-making, embroidery, cooking, spinning, gardening, and masonry, were taught to a total of 2,173 pupils.

14. Maggona Certified Industrial School is carried on by the Roman Catholic Mission and used as a Government Reformatory. At it, 148 juvenile offenders were being taught in 1905.

15. In Ceylon 88 per cent. of the population being rural, an education fitting boys for an agricultural life is, perhaps, of more benefit than an industrial one, and a scheme for school gardens is now being carried out in connection with Government schools; 106 of such gardens are now being worked.

#### (C.) ESTATE SCHOOLS.

16. There were 78 aided estate schools at the end of 1905 as against 58 at the end of 1904. 7,490 children are now receiving instruction (including 689 girls).

17. The question of estate schools was treated by the Education Commission, who recommended that there should be no rigorous system of compulsory attendance during fixed hours, that it should be made the duty of planters to see that all children received some instruction so far as is reasonably possible, that they should submit quarterly returns giving detailed information regarding the arrangements made, and that ultimately Government should have the power of ordering the provision of instruction at the expense of estates on which, after clear warning, no sufficient provision had been made by the planters.

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## V.—GOVERNMENT INSTITUTIONS.

### (A.) AND (B.) HOSPITALS AND MEDICAL.

1. During 1905, 65 hospitals and asylums, 424 Government dispensaries, and 142 estate dispensaries were working.

2. A new hospital built of stone and with the latest improvements was opened at Dikoya, with accommodation for 85 patients, and the building of a new hospital at Dolosbage was commenced.

3. The Victoria Memorial Eye Hospital, with accommodation for 42 patients, was opened in August, and is supplied with the latest equipment.

4. Modern aseptic furniture and instruments have also been supplied to some of the older hospitals.

5. In-patients in 1905 numbered 68,321 in all hospitals and asylums, of whom 6,697 died or 9·8 per cent.

6. At Government dispensaries 1,222,790 new cases were treated during the year.

7. 99 senior students and 24 apothecary students were on the books of the Ceylon Medical College.

8. The total expenditure on medical institutions was Rs. 1,809,585, and revenue collected from medical sources Rs. 119,563.

### (C.) ASYLUMS.

#### *Lunatic Asylum.*

9. To the Lunatic Asylum, Colombo, 171 patients were admitted in 1905; 71 were discharged and 66 died. The present accommodation, viz., for 378 patients and attendants, has become insufficient, and plans are being made for the necessary extensions. 728 persons altogether were treated during the year.

*Leper Asylum.*

10. 165 patients were admitted to the Leper Asylum, Hendala. 102 were discharged, 74 died, and 65 absconded, of whom 46 were brought back. A necessary extension to the asylum is being undertaken.

**(D.) POOR-HOUSES.**

11. There is no Poor-house in Ceylon.

**(E.) REFORMATORIES.**

12. As before stated, Maggona Industrial School is used as the Government Reformatory.

**(F.) SAVINGS BANKS.**

There are two Government institutions:—

1. The Ceylon Savings Bank showed satisfactory progress. The amount to the credit of 32,344 depositors is Rs. 4,239,805, as against 31,507 and Rs. 4,248,689 for 1904. The reserve fund amounts to Rs. 532,554, and 3 or 4 per cent. is paid on deposits. Rs. 1,636,771 were deposited during the year.

2. The Post Office Savings Bank.—The steady progress of the Post Office Savings Bank was well maintained; the amount standing to the credit of the 63,000 depositors was Rs. 1,748,127.

The assets on 31st December, 1905, exceeded the liabilities by Rs. 161,843, calculating the investments—all Government Securities—at the market rate on that day.

The bank paid interest at the rate of 2·40 per cent., and has 156 branches.

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**VI.—JUDICIAL STATISTICS.****(A.) POLICE.**

1. The sanctioned strength of the force was increased during the year (chiefly in connection with the Station House system to be adopted for policing the more criminal districts) by 2 superintendents, 2 assistant superintendents, 13 sergeant-majors, 50 station house officers, and 203 native police constables. The actual strength, however, was not so largely increased, as arrangements for the introduction of the system were not complete by the end of the year.

2. The cost of the police for 1905 was Rs. 823,227 as against Rs. 765,795 in 1904, the increase being due to increase of strength, and to raising the pay of third class constables, which has rendered recruiting less difficult.

*Police Crime Statistics.*

3. 22,459 cognizable offences were disposed of during the year. Of these 16,831 were reported by the police to be "true cases," and 11,036 convictions, or 65·5 per cent. were obtained. Of these only 5,594 true cases were for offences under the Penal Code, with 1,979 convictions.

4. The following are (a) the number of cases, (b) true cases, and (c) convictions during 1905 of more serious crime:— Murder (a) 196, (b) 176, (c) 100; robbery (a) 911, (b) 322, (c) 109; burglary (a) 2,468, (b) 1,933, (c) 134; cattle theft (a) 2,311, (b) 1,445, (c) 322; theft (a) 3,030, (b) 1,942, (c) 608; hurt with knife, &c., (a) 1,534, (b) 945, (c) 594; grievous hurt (a) 795, (b) 674, (c) 233.

5. There are over 4,500 habitual criminals on the register, of whom 217 were again convicted in 1905. The Bertillon system is in use in the registry.

(B.) PRISONS.

1. The Inspector-General of Prisons was relieved of his duties as Inspector-General of Police in July, 1905, and undertook the duties of Superintendent of the Convict Establishment in addition to his own.

2. 7,376 convicted prisoners, exclusive of 353 road tax defaulters, were admitted into prison during 1905, or 711 in excess of the average for the preceding four years, the increase being chiefly in short-sentenced prisoners. Of these 1,054 were convicted in the Supreme and District Courts. 116 persons were convicted of homicide, an increase of 26 over 1904 and 46 over 1903. Of these 53 (44 Sinhalese, 8 Tamils, and 1 Moor) were sentenced to death, and of them 30 were hanged, as against 23 in 1904; one of the 53 was a woman, and her sentence was commuted.

3. 1,410 prisoners had previous convictions; 22 juvenile offenders, under 16 years of age, were admitted, the average for the preceding three years being 26.

4. The number of corporal punishments inflicted on prisoners was 137 as against 210 in 1904.

5. No serious epidemic prevailed in the prisons. The average sick was 149 per diem, and 105 died from disease during the year.

6. A sum of Rs. 517,527 was expended during 1905, giving the cost per prisoner per annum as Rs. 180·50, a decrease of Rs. 7·50 compared with 1904.

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## VII.—VITAL STATISTICS.

### (A.) POPULATION.

1. The population enumerated at the Census of 1901 was 3,565,954, and was estimated at the end of 1905 to be 3,950,123, including immigrant coolies, of whom 166,713 arrived in excess of those who left Ceylon.

2. In 1905 the birth-rate was 38·2 per thousand and the death-rate 27·4; the former is 4 less than the average of the preceding seven years, and the latter normal.

### (B.) PUBLIC HEALTH.

1. Of 108,160 deaths registered the principal causes were diarrhœa and dysentery (22,867), fevers (22,171), infantile convulsions (10,670). The usual fair standard of health was maintained during the year.

2. The inhabitants of the North-Western and Sabaragamuwa Provinces, however, suffered from malarial fever to a greater extent than usual. The experiment of administering quinine regularly as a prophylactic, which had already been tried with some success on the prisoners in Mahara and Mutwal Jails, was extended to an area in the North-Western Province surrounding the dispensary at Nikaweratiya.

3. The following figures showing the result in one of the villages are interesting:—

Number of people in the village, 466.

Of 210 boutique-keepers who took no quinine 140, or 66 per cent., suffered from malaria.

Of 232 villagers who took quinine only 36, or 15·5 per cent., suffered, and of 24 villagers who took no quinine 12, or 50 per cent., suffered from malaria.

4. The free distribution of quinine to villagers in the more malarial districts as a prophylactic is being considered.

5. An outbreak of small-pox occurred in June in the Southern Province, introduced from India, and the first case escaping detection the disease spread to several districts in the interior, where it continued to prevail sporadically till the end of the year. 239 cases occurred and 157 patients were discharged cured.

6. Smaller outbreaks occurred in Trincomalee and the Province of Uva. The total deaths from small-pox amounted to 112.

7. There was only one death due to reputed cholera.

### (C) SANITATION.

8. The sanitation of large towns is in the hands of municipalities, and in smaller towns in the hands of boards of health. The general expense of scavenging, &c., is met from rates recovered locally, and loans are made occasionally to the local bodies for larger works of permanence, such as water supply, construction of drains, the cost of which they are unable to meet in a lump sum.

9. At present in the municipalities the dry-earth closet system is in operation, the solid matter being collected nightly in carts for disposal at depôts outside the towns.

10. The scheme of drainage for Colombo, providing for a water carriage system of sewage, planned by Mr. Mansergh, has made good progress during the year.

11. In the villages sanitation is enforced by the headmen, neglect of it being punished by the village committees.

### (D.) CLIMATE.

12. There are few countries in the world which enjoy such a variety of climates as Ceylon. In the low lands the climate is tropical, but in the hills it resembles that of Southern Europe. It is chiefly influenced by the two monsoons—the North-East, which prevails from November to February, and the South-West, which prevails from April to September.

13. The south-western parts are moist and temperate, and the hill regions cool and bracing. Together they constitute the “wet region,” a tract with a rainfall of 60 inches or more during the two monsoons.

The remainder of the Island is the dry region—an almost flat plain with a rainfall of under 60 inches.

14. The following table shows the rainfall and mean temperature at some of the chief stations. At Mannar the mean temperature was highest and at Hakgala lowest:—

*Rainfall and Temperature.*

	Rainfall.		Mean Temperature.
	Inches.	Days.	
Ratnapura ... ..	135.05	229	78.3°
Nuwara Eliya ... ..	80.81	176	59.5°
Galle ... ..	80.57	155	79.9°
Hakgala ... ..	75.07	166	59.4°
Kurunegala ... ..	74.48	149	79.9°
Batticaloa ... ..	70.63	95	79.7°
Diyatalawa ... ..	65.55	158	65.9°
Colombo ... ..	65.29	168	81.1°
Kandy ... ..	64.32	155	75.7°
Badulla ... ..	57.64	122	73.4°
Hambantota ... ..	52.53	94	80.4°
Puttalam ... ..	47.95	76	80.1°
Trincomalee ... ..	47.87	101	81.2°
Anuradhapura ... ..	39.34	87	80.7°
Jaffna ... ..	38.20	66	81.9°
Mannar ... ..	26.60	64	82.2°

15. The mean daily range of temperature—i.e., the mean of the daily differences between the maximum and minimum temperatures—was highest at Anuradhapura, having been 19.3° and lowest at Galle 9.6°.

16. The differences recorded at Colombo and Kandy were 11.2° and 14.0° respectively.

17. The absolute range or differences between the highest and lowest temperature of air recorded during the year was greatest at Nuwara Eliya and lowest at Galle, having been 30.7° and 25.8° respectively.

18. The absolute difference at Kandy was 24.3° and at Colombo 17.7°.

19. The hottest station, taking the mean temperature of night and day of all the year round into account, was Mannar 82.2°. The coolest were Nuwara Eliya 59.5°, and Hakgala 59.4°. Colombo and Kandy were 81.1° and 75.7° respectively.

20. As regards rainfall the year 1905 was an exceptionally dry year. The rainfall at Colombo (62.59 inches) was 26 inches below the average for the preceding 30 years, that at Kandy 17½ inches below, that at Nuwara Eliya 13 inches. The lowest recorded rainfall (26.60 inches at Mannar) was 12 inches below the average.

21. A year of drought falls especially heavily upon the villager, whose main cultivation—that of paddy—requires so much water, and in dry years such cultivation is only possible under the larger irrigation works, as village tanks, as a rule,

do not hold up a sufficient store of water, but easily dry up. In such years the villagers in the dry regions have to resort to the sowing of "high lands" or "chenas" with "dry" grain for their food supply.

22. In consequence of failure of crops, it was found necessary to start relief works in some parts of the Northern Province to alleviate the distress of the inhabitants.

23. The general direction of the wind is from north-east from November to March, and from south-west from April to October. The average velocity in Colombo was 199 miles per diem.

### VIII.—POST AND TELEGRAPH.

1. 382 post offices, of which 156 transact money order and savings bank business, and 95 are telegraph offices, were open in 1905.

2. The revenue was Rs. 1,241,810, an increase of over Rs. 500,000 on that of 1895. Postage stamps valued at Rs. 850,000 were sold, an increase of Rs. 65,000 on 1904.

3. 26½ million letters, post cards, and printed packets passed through the post, the increase of 2½ million on the 1904 figures being chiefly on letters (12½ per cent. increase) and post cards (25 per cent.). There were 3½ million post cards posted.

4. The total parcels traffic remained almost constant, a slight decrease in the internal parcels being almost counterbalanced by increase in the external parcels. A sum of Rs. 850,000 was recovered from the addressees of "value payable" parcels, of which Rs. 350,000 was remitted to senders in India.

5. The projected motor mail service has not yet started owing to difficulty in obtaining cars suitable to the work and the roads. A Thorneycroft motor omnibus has been indented for as an experiment on the section of the road between Bandarawela and Lunugala, and a contract for the extension of the service to the section from Lunugala to Batticaloa with a smaller car is being entered into.

#### *Money Orders.*

6. Money orders of the value of Rs. 11,680,125 were dealt with, of which Indian amounted to over 4½ million rupees.

#### *Telegrams.*

7. The number of telegrams sent and received was 717,000, an increase of 8.73 per cent., chiefly on the inland 25 cents telegrams.

8. A further reduction to 2*s.* per word for telegrams to Europe was made as against 2*s.* 6*d.* in 1902 and 4*s.* before 1902.

#### *Telephones.*

9. There are 150 subscribers to the Colombo Telephone Exchange, and calls numbered 400,000 in 1905. 490 miles of wire are in use.

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### IX.—MILITARY EXPENDITURE.

1. The total military expenditure of the year was Rs. 2,504,390·38, the Colonial contribution (9½ per cent. on the revenue) for regular troops amounting to Rs. 2,164,468·75 and the volunteer expenditure to Rs. 244,000·45. The balance was spent on military buildings, &c.

2. The total strength of the volunteers on December 31, 1905, was 2,062, of whom 1,821 were classed as efficient. The numbers in the various Corps were:—Ceylon Light Infantry 1,077, Ceylon Planters' Rifle Corps 594, Ceylon Mounted Infantry 135, Artillery Volunteers 129, Volunteer Medical Corps 67, Band 39, and Permanent Staff 21.

3. The number of boys in the Cadet Battalion of the Ceylon Light Infantry was 417.

4. At the Annual Camp of Instruction, held at Diyatalawa from July 6th to 15th, 1,531 volunteers of all arms attended.

5. The closing of the Naval Yard at Trincomalee was completed by March 31st. The Admiralty decided that it should be reduced to a "cadre," which could be developed in time of war according to necessity.

6. It was also decided to abandon Trincomalee as a military station.

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### X.—PUBLIC WORKS.

#### (A.) PUBLIC WORKS DEPARTMENT.

1.—(a.) The Technical College buildings and the Victoria Memorial Eye Institution were completed during the year, and the erection of the Supreme Court buildings and new Telephone Exchange made good progress.

2. The duplication of the water main from Labugama to Colombo and construction of the reservoir at Elie House were also completed.

3. A scheme was submitted by the Director of Public Works for the reclamation of a large portion of the Colombo lake, which is polluted by sewage, including provision for preserving communication by a system of canals and for opening up direct communication between the lake and harbour. The estimate for the work, roughly Rs. 3,800,000, is receiving consideration.

#### (B.) HARBOUR WORKS.

4. A sum of Rs. 1,858,544 was spent on the Colombo Harbour Works during 1905, of which Rs. 1,650,319 was for harbour extension, graving dock, &c.

5. The total expenditure on harbour works reached Rs. 35,085,400 at the end of 1905.

6. Excellent progress was made with the new breakwater, which was practically finished, and with the coaling jetties. The graving dock, 700 feet long by 113 feet wide, was finished, so far as work with the coffer dam was concerned, and will probably be opened by the end of 1906.

7. The Patent Slip was occupied by 27 vessels, 12 of which belonged to Government. Revenue was Rs. 58,048 and expenditure Rs. 9,175·65.

8. Sir W. Matthews, the Consulting Engineer, visited the Island in December and personally inquired into the question of the further protection necessary to enable the new coaling jetties to be used throughout the year. Of the alternatives suggested, the scheme to lengthen the straight part of the south-western breakwater at a cost of £400,000 will probably be undertaken.

#### (C.) RAILWAYS.

9. The mileage open at the end of 1905 was 562 $\frac{1}{2}$ , 95 $\frac{3}{8}$  miles having been opened during the year. The Northern Extension was completed and opened on August 1st.

10. The profit on the year's working (receipts amounting to Rs. 9,690,653 and expenditure to Rs. 5,206,899) was Rs. 4,483,754, an increase of Rs. 633,201 over the profits of 1904.

11. This surplus shows a profit of 6·3 per cent. on the original outlay.

#### (D.) IRRIGATION.

12. In 1905 a sum of Rs. 611,532·47 was spent on irrigation works for construction and Rs. 89,464·35 for the maintenance of existing works.

13. Eleven works have been started during the past ten years, during which 37,150 acres have been opened for irrigation; 2,860 acres were opened during 1905.

14. A lengthy critical report on the irrigation policy of the Government, past and present, was made by Sir J. Keane, the late Private Secretary to the Governor. The present policy is to concentrate all the energies of the Irrigation Department on the completion of works already started before new works of magnitude are entered upon, and to increase the extent of land irrigated by better arrangement for the distribution and control of water available. Only one estimate for an additional large work, viz., for improvements to Nuwarawewa in the North-Central Province, which forms part of the larger Nachchaduwa scheme, was sanctioned during the year.

15. It was also decided that steps should be taken to abolish the Central Irrigation Board, and that irrigation works should be undertaken by the recently formed Department of the Director of Irrigation in the same manner as other public works are and from funds voted in the annual Supply Bill.

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## XI.—PUBLIC SERVICE.

1. His Excellency the Governor, Sir Henry A. Blake, G.C.M.G., was absent from the Colony on leave for three months from September 8th, during which the Government was administered by the Lieutenant-Governor the Hon. Mr. A. M. Ashmore, C.M.G., the Hon. Mr. Fowler acting as Colonial Secretary.

2. Mr. Ashmore received the honour of a Knight Commandership of the Order of Saint Michael and Saint George in November, and Mr. Fowler a Companionship of the Order. A Knighthood was conferred on Mr. Stanley Bois, a leading member of the mercantile community.

3. Messrs. L. Creasy and Gerard Grenier, Registrar of the Supreme Court, were made Companions of the Imperial Service Order.

4. The Hon. F. C. Moncreiff retired from the office of Puisne Justice and was succeeded by Mr. Wood Renton from Mauritius in September.

5. Mr. J. J. Thorburn, Principal Assistant Colonial Secretary, was appointed Senior Provincial Commissioner of Southern Nigeria at the beginning of the year.

6. Mr. C. C. Longden of the Madras Police was, with the consent of the Madras Government, appointed Inspector-General of Police in July.

7. The scheme for increasing the salaries of the members of the Public Service was, with the consent of the Secretary of State, given effect to from January 1st, 1905.

8. Under it salaries are now fixed in sterling with annual increments and at a sum considerably higher in the case of the lower classes than the former rupee salaries, exchange compensation being done away with, and salary, leave pay, and pension being paid at the current rate of exchange.

9. In the case of senior officers entitled to the privilege of leave pay and pension at 1*s.* 10½*d.* the rupee, by whom the sterling salary, which in their case is fixed only slightly in excess of their former salary, would not be desired in view of the loss of the said privilege, the alternative of continuing on the former rupee salary with a further 1*d.* per rupee exchange compensation and of counting their whole salary so enhanced for leave and pension purposes has been granted.

10. The scheme for the re-organisation of the Clerical Service has also been sanctioned from January 1st.

F. J. SMITH,

Assistant Colonial Secretary.

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469	Trinidad and Tobago ... ..	"
470	Lagos ... ..	1904
471	Bahamas ... ..	1904-1905
472	British Central Africa ... ..	"
473	Mauritius ... ..	1904
474	Fiji ... ..	"
475	East Africa Protectorate ... ..	1904-1905
476	Northern Nigeria ... ..	1904
477	British Guiana ... ..	1904-1905
478	Leeward Islands ... ..	"
479	Bechuanaland Protectorate ... ..	"
480	Basutoland ... ..	"
481	Ceylon ... ..	1904
482	St. Lucia ... ..	"
483	Ashanti ... ..	1905
484	Bermuda ... ..	"
485	Hong Kong ... ..	"
486	St. Helena ... ..	"
487	Weihaiwei ... ..	"
488	Gold Coast ... ..	"
489	Seychelles ... ..	"
490	Falkland Islands ... ..	"
491	Gambia ... ..	"
492	Jamaica ... ..	1904-1905
493	Northern Territories of the Gold Coast ... ..	1905

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No.	Colony.	Subject.
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27	Miscellaneous Colonies ... ..	Medical Reports.
28	Gold Coast and Sierra Leone... ..	Rubber.
29	Ceylon ... ..	Geological Survey.
30	Pitcairn Island... ..	Report by Mr. B. T. Simon.
31	Northern Nigeria ... ..	Cotton, &c.
32	Do. Do. ... ..	Mineral Survey.
33	Southern Nigeria ... ..	Do.
34	Montserrat ... ..	Agricultural Industry.
35	Antigua and St. Kitts-Nevis... ..	Sugar.
36	West Indies ... ..	Work of Imperial Department of Agriculture.





COLONIAL REPORTS—ANNUAL.

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No. 527.

CEYLON.

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REPORT FOR 1906.

(For Report for 1905, see No. 494.)

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Presented to both Houses of Parliament by Command of His Majesty.

July, 1907.

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No. 527.

CEYLON.

(For Report for 1905, *see* No. 494.)

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THE GOVERNOR to THE SECRETARY OF STATE.

The Queen's House, Colombo,  
Ceylon, 22nd May, 1907.

MY LORD,

I HAVE the honour to forward to your Lordship six copies of the Report of the Blue Book for 1906, prepared with great care and thoroughness by Mr. F. J. Smith, Second Assistant Colonial Secretary.

I have, &c.,

HENRY A. BLAKE,  
Governor, &c.

The Right Honourable

The Earl of Elgin, K.G.,

&c.,      &c.,      &c.

## REPORT ON THE BLUE BOOK OF 1906.

## I.—FINANCIAL.

## (A.) GENERAL REVENUE AND EXPENDITURE.

*Revenue.*

The steady increase in the revenue of the Colony continued in 1906. The estimated revenue of the year was Rs. 31,059,300 and the actual revenue Rs. 35,030,660, or Rs. 3,971,360 in excess of the estimate and Rs. 635,324 in excess of the actual revenue of 1905, which was over  $3\frac{1}{2}$  million rupees in excess of any preceding year.

2. The estimated revenue was exceeded by nearly 2 million rupees under the head Land Sales, and by Rs. 536,095 on salt and Rs. 272,586 on arrack under Excise, while the actual revenue from the duty on kerosine oil was Rs. 250,195 less than anticipated.

3. The principal sources of revenue were:—

	Rs.
Government Railway .....	10,092,928
Customs—Import and Export Duties	8,358,542
Licences, Excise, and Internal Revenue not otherwise classified	7,602,012

4. The following is a comparative statement showing the actual revenue collected in 1905 and 1906. The classification of items of revenue has been revised in several instances, and consequently the apparent nett increases and decreases shown against the several heads are not always real:—

	Revenue of 1905.	Revenue of 1906.	Nett Increase.	Nett Decrease.
	Rs. c.	Rs. c.	Rs. c.	Rs. c.
1. Customs .. .. .	8,183,728 22	8,358,542 10	174,813 88	—
2. Port, Harbour, Wharf, and Light-house Dues.	1,428,973 39	2,066,793 30	667,819 91	—
3. Licences, Excise, and Internal Revenue not otherwise classified.	6,880,293 93	7,602,012 96	741,719 3	—
4. Fees of Court or Office, Payment for Specific Services, and Reimburse-ments in aid.	1,985,101 35	1,421,061 69	—	564,039 66
5. Post and Telegraphs .. .. .	1,235,706 17	1,237,790 91	2,084 74	—
6. Government Railway .. .. .	9,648,661 33	10,092,928 31	444,276 98	—
7. Rent of Government Property .. .. .	206,164 51	—	—	206,164 51
8. Interest .. .. .	463,411 93	590,737 87	118,325 91	—
9. Miscellaneous Receipts .. .. .	261,821 24	440,019 35	178,198 11	—
10. Sale of Government Property .. .. .	2,968,915 81	—	—	2,968,915 81
11. Land Revenue (exclusive of Land Sales)	—	594,268 48	594,268 48	—
12. Land Sales .. .. .	1,133,568 23	2,616,485 95	1,482,917 72	—
Total .. .. .	34,385,336 11	35,030,660 92	635,324 81	—

(a) Exclusive of Land Sales, the total revenue of 1906 was Rs. 32,414,175 as against Rs. 33,261,767 in 1905, but the latter

included a windfall of Rs. 2,626,175 from a successful pearl fishery.

(b) The increase under Customs was chiefly due to increases of Rs. 160,968 on the duties from sugar and of Rs. 72,908 on "other goods." There was a falling off in the duty on spirits and cordials of Rs. 58,136 and on kerosine oil of Rs. 44,111.

(c) As regards Port, Harbour, &c., the apparent increase is chiefly due to the re-classification. Rs. 288,852, for instance, were credited as single warehouse rent under this head for the first time. Harbour dues show an increase of Rs. 67,007, and the revenue from harbour tugs Rs. 22,314.

(d) Under Licenses, Excise, &c., there was an increase of Rs. 329,492 on salt and Rs. 373,509 on arrack.

(e) The apparent falling off under Fees of Court again is largely due to the re-classification, warehouse rent, *e.g.*, from which Rs. 354,979 were derived in 1905, not appearing under this head. School fees show an increase of Rs. 35,998 and medical aid dues Rs. 27,259. Under Judicial Stamps there was a decrease of Rs. 28,580, probably due to casual decrease of value of property under litigation; and under Title Deed Fees, the levy of which as a separate charge is now being discontinued on sales of land, Rs. 17,956.

(f) Under Post and Telegraphs there was an increase of Rs. 16,827 in postage stamps; but telephone receipts, owing to the disorganization at the beginning of the year, when a portion of the telephone service was disconnected for some months to admit of reconstruction, show a falling off of Rs. 10,575. The recoveries from telegraph receipts, *viz.*, Rs. 240,166, also show a small decrease of Rs. 2,652.

(g) Under Government Railway recoveries from goods traffic increased from Rs. 5,654,259 to Rs. 5,906,229, and from passenger traffic from Rs. 3,910,360 to Rs. 4,075,021.

(h) Interest on bank balances shows an increase of Rs. 88,334 and on public funds invested Rs. 52,251; that on loans to Corporations a decrease of Rs. 20,978.

(i) Under Miscellaneous Receipts there was really a falling off, the rent paid by the Pearl Fishery Company, *viz.*, Rs. 310,000, and rent of boutique sites at the Fishery Camp Rs. 69,587, having been credited under this head, whereas in previous years proceeds from the pearl fishery were credited under Sale of Government Property. The amount paid by the Company, Rs. 120,000, for Mr. Dixon's machinery and Rs. 62,500 for the "Violet" do not appear under revenue, as they were credited to the surplus and deficit account of the Colony. The expenses of supervision, &c., paid to the Government by the Company, *viz.*, Rs. 239,420, are also omitted from the statement of revenue being counterbalanced by the disbursements of Government for the purpose. Under Sundries there was a falling off of Rs. 177,450, under Unclaimed Deposits Rs. 20,807, and under Profits on New Coins Rs. 14,641.

(j) Land Revenue appears as a new head; under it a sum of Rs. 426,400 was brought to account as sale of timber, for which Rs. 319,067 was brought to account under Sale of Government Property in 1905.

(k) Proceeds of land sales show an increase of Rs. 1,466,080, the keen demand for land, especially for rubber cultivation, having been sustained during the year.

### *Expenditure.*

5. The following is a comparative statement of expenditure for 1905 and 1906:—

Heads of Service.	1905.	1906.	Increase.	Decrease.
	Rs. c.	Rs. c.	Rs. c.	Rs. c.
1. Charges on account of Public Debt.	3,647,878 54	3,648,732 15	853 71	—
2. Pensions .. .. .	1,592,614 3	1,412,571 91	19,967 82	—
3. His Excellency the Governor ..	139,300 85	154,217 9	—	5,083 76
3a. Civil Service .. .. .	683,041 55	800,855 79	117,814 24	—
4. Secretariat .. .. .	312,231 39	347,521 34	35,289 95	—
5. Audit Office .. .. .	64,582 32	62,855 63	—	1,926 69
6. Treasury .. .. .	50,974 14	74,490 37	23,516 23	—
7. Provincial Administration ..	1,267,612 53	1,021,052 64	—	236,559 89
8. Survey Department .. .. .	780,133 50	625,801 52	45,068 2	—
9. Customs Department .. .. .	135,587 86	160,147 20	24,609 34	—
10. Port and Marine Department, Colombo.	410,189 57	398,874 8	—	11,315 49
11. Port and Marine Department other than Colombo.	40,454 87	43,246 2	2,791 15	—
12. Botanic Gardens .. .. .	131,114 35	131,513 2	398 67	—
13. Colombo Museum .. .. .	28,473 93	28,187 70	1,713 77	—
14. Legal Departments—				
Supreme Court .. .. .	159,192 58	164,508 52	5,315 94	—
Attorney-General .. .. .	64,905 83	74,849 88	9,744 23	—
Solicitor-General .. .. .	11,002 26	13,924 63	2,922 58	—
District Courts .. .. .	168,031 97	180,906 36	14,874 39	—
Courts of Requests and Police Courts.	136,339 31	138,183 11	1,843 80	—
Registration of Lands .. .. .	107,499 85	108,956 87	1,457 22	—
Registration of Marriages, Births, and Deaths.	123,182 66	135,591 75	12,409 10	—
Fiscals .. .. .	234,091 16	261,417 53	27,326 37	—
Loan Board .. .. .	4,079 83	3,594 18	—	485 65
15. Police .. .. .	809,593 86	993,046 14	183,452 28	—
16. Prisons .. .. .	527,252 87	540,500 8	13,267 21	—
17. Medical Department .. .. .	1,767,671 70	2,018,468 10	250,796 40	—
18. Ecclesiastical .. .. .	9,260 0	9,309 66	49 66	—
19. Education .. .. .	1,098,793 17	1,071,309 5	—	27,484 12
20. Transport .. .. .	18,596 8	—	—	18,596 8
21. Exchange .. .. .	216,050 16	143,267 58	—	72,782 58
22. Military Expenditure .. .. .	2,504,390 38	2,868,478 40	364,088 2	—
23. Miscellaneous Services .. .. .	889,825 77	777,450 39	—	92,375 38
24. Government Stores .. .. .	83,232 23	90,426 42	8,193 19	—
25. Crown Agents, London .. .. .	2,715 0	—	—	2,715 0
26. Forests .. .. .	310,554 92	276,594 15	—	34,090 77
27. Post Office and Telegraphs ..	1,401,899 15	1,455,184 54	53,285 39	—
28. Railway Department—				
Maintenance and Capital Charges, open Lines.	5,198,895 43	5,102,378 37	—	94,517 6
Railway Construction Works ..	—	964,034 52	964,034 52	—
29. Special Officer, Waste Lands Ordinance.	76,391 49	104,837 8	28,445 59	—
30. Veterinary Department .. .. .	17,729 35	18,012 73	283 35	—
31. Consulting Electrical Engineer ..	14,283 98	14,190 37	—	93 61
32. Irrigation Department .. .. .	547,398 6	277,983 52	—	269,414 54
33. Immigration Department .. .. .	42,334 4	52,937 5	10,603 1	—
34. Public Works Department .. ..	410,287 39	563,882 98	153,595 57	—
35. Public Works Annually Recurrent	2,040,965 59	2,325,603 27	284,616 98	—
37. Public Works Extraordinary ..	1,693,315 17	1,913,542 62	220,227 45	—
38. Irrigation Annually Recurrent ..	—	164,268 57	164,268 57	—
39. Irrigation Recurrent .. .. .	—	196,171 87	196,171 87	—
40. Board of Agriculture .. .. .	—	30,743 83	30,743 83	—
41. Director, Mineralogical Survey ..	—	24,389 10	24,389 10	—
42. Marine Biological Department ..	—	5,081 82	5,081 82	—
43. Inspector of Mines .. .. .	—	10,396 7	10,396 7	—
44. Inspector of Machinery .. .. .	—	4,000 0	4,000 0	—
45. Archaeological Commissioner ..	—	64,579 48	64,579 48	—
Carried forward .. .. .				

Expenditure—cont.

Heads of Service.	1905.	1906.	Increase.	Decrease.
	Ra. c.	Ra. c.	Ra. c.	Ra. c.
Brought forward .. ..	—	—	—	—
46. Plague Prevention .. ..	—	38,678 11	38,678 11	—
47. Increase of Salaries .. ..	—	353,783 66	353,783 66	—
Total Expenditure chargeable to Current Revenue.	29,736,899 28	32,644,214 88	3,774,605 22	867,379 62
Public Works Extraordinary, chargeable to Loan Funds:—				
48. Duplication of Water Main ..	135,142 35	1,503 3	—	133,639 32
49. Harbour Construction .. ..	1,365,933 63	944,763 34	—	421,170 29
50. Railway Construction .. ..	579,244 67	138,329 91	—	440,914 76
51. Irrigation Construction .. ..	270,271 72	186,171 86	—	74,099 86
52. Station Extensions .. ..	—	569,570 98	569,570 98	—
Total chargeable to Loan Funds	2,350,592 37	1,850,339 12	500,570 98	1,069,824 23
Grand Total .. ..	32,087,491 65	34,494,554 0	4,344,286 20	1,937,203 85
			Deduct Decrease ..	1,937,203 85
			Nett Increase ..	2,407,083 35

6. The total expenditure of 1906 chargeable to current revenue and surplus funds was Rs. 2,907,316 more than in 1905, Rs. 964,034 for Railway Construction Works being so charged against nil in 1905, and the expenditure in the case of the Public Works Department exceeding that of 1905 by Rs. 658,440, and in case of the Medical Department by Rs. 250,800.

7. The estimated expenditure chargeable to current revenue was Rs. 345,528 in excess of the actual, the chief heads under which the estimate was not realized being—

Chief Heads.	Ra.	Remarks.
Railway, New Construction, on which there was an over-estimate of.	617,847	It was decided that expenses of Stations Extension, Colombo, should be debited to loan, though estimated for under this head.
Public Works Extraordinary of	321,724	The long-continued drought of the year rendered the repair and construction of roads extremely difficult. In the waterless portion of the Island metal cannot be laid down with benefit.
Public Works Annually Recurrent of	175,265	
Public Debt of ... ..	145,282	This was chiefly owing to the loan contemplated under Ordinance No. 1 of 1905 not having been raised.
while the estimated expenditure was exceeded in the case of—		
Military Expenditure by	408,008	The balance of the Military contribution for 1905.
Miscellaneous Services by	283,638	Cost of Wet Dock survey, expenses of sale of salt, and Rubber Exhibition.
Medical Department by	181,863	Additional expenditure on hospitals and dispensaries.
Provincial Administration by	139,014	Owing chiefly to relief works and cost of manufacturing salt.

**(B.) IMPORTANT CHANGES IN TAXATION.**

Nil.

**(C.) ASSETS AND LIABILITIES.**

According to the accounts of the Colony the assets of the Colony on 31st December, 1906, were Rs. 19,952,741 and the liabilities Rs. 14,798, 115, or the assets exceeded the liabilities by Rs. 5,154,626. Further, a sum of Rs. 6,457,736 had been advanced from surplus balances for Harbour, Railway, and Irrigation expenditure, which will ultimately be charged to the loan of £1,000,000 authorized by Ordinance No. 1 of 1905.

**Of the assets—**

A sum of Rs. 10,774,098 was in cash in the hands of the Treasurer, Government Agents, and the Crown Agents;  
 Rs. 5,209,161 in investments;  
 Rs. 1,362,573 advanced for the Colombo Drainage Works;  
 Rs. 957,079 in stores;  
 Rs. 827,613 in loans to Local Bodies; and  
 Rs. 736,365 in miscellaneous advances.

The balance being in remittances in transit, in cash in the hands of the Straits and Malay States Governments, and in loans made by the Crown Agents to Public Officers.

**The chief liabilities were:—**

	Rs.
Currency Reserve ... ..	7,029,745
Widows 'and Orphans' Pension Fund	4,553,539
Deposits ... ..	2,703,126

**(D.) PUBLIC DEBT, SHOWING PROVISION FOR REPAYMENT.**

No loan was raised in 1906. That of £1,000,000 sterling authorized for public works by Ordinance No. 1 of 1905 has not been raised owing to the depressed state of the money market. Pending the raising of it, advances have been made from surplus balances to carry on the works.

2. The balance due by the Colony on sterling loans raised in London stood on 31st December, 1906, at £4,638,334, as against £4,670,306 on the same date in 1905. On locally raised silver loans the balance was Rs. 3,144,078.

3. Provision is made for the repayment of all loans by means of a sinking fund, except in the case of the loan from the Public Works Commissioners under Ordinance No. 6 of 1875 amounting to £250,000, which is repayable by an annuity. Of this sum, £56,534 was outstanding on 31st December, 1906. This debt will be extinguished in 1911.

4. The charge on the public debt on account of interest and sinking fund amounted to Rs. 3,648,732 in 1906.

5. The total amount in local currency of the debt of the Colony on 31st December, 1906, was Rs. 72,719,095, or  $2\frac{1}{4}$  the revenue of the year.

(E.) CURRENCY AND BANKING.

The currency of Ceylon consists of—

- (1) Copper: Ceylon 5-cent, 1-cent,  $\frac{1}{2}$ -cent, and  $\frac{1}{4}$ -cent pieces.
- (2) Silver: the India rupee, with subsidiary Ceylon 50-cent, 25-cent, and 10-cent pieces.
- (3) Gold: British sovereigns, which are legal tender at Rs. 15 per £.
- (4) Ceylon Government notes of Rs. 1,000, 100, 50, 10, and 5.

On 31st December, 1906, the value of currency notes in circulation was Rs. 16,264,175, on which date the currency reserve was distributed as follows:—

Gold	£103,934 =	...	...	...	1,559,010
Rupees	...	...	...	...	4,985,735
Small silver	...	...	...	...	485,000
Colonial investments	...	...	...	...	4,625,049
Indian investments	...	...	...	...	4,609,381

The Chartered Bank of India, Australia, and China; the Hong Kong and Shanghai Banking Corporation; the Bank of Madras; the Mercantile Bank of India, Limited; and the National Bank of India, Limited, do business in the Colony.

(F.) COMPARATIVE STATEMENT OF THE TOTAL REVENUE AND EXPENDITURE OF MUNICIPALITIES FOR THE FIVE YEARS ENDED DECEMBER 31, 1906.

Name of Municipality.	Revenue or Expenditure.	1902.	1903.	1904.	1905.	1906.
		Rs. c.	Rs. c.	Rs. c.	Rs. c.	Rs. c.
Colombo ..	{ Revenue ..	1,406,838 88	1,337,344 8	1,567,907 46	1,591,742 10	1,763,106 35
	{ Expenditure	1,175,727 7	1,494,429 40	1,650,127 70	1,387,277 99	2,528,754 99
Kandy ..	{ Revenue ..	173,202 85	199,303 84	192,150 47	188,553 17	220,691 47
	{ Expenditure	185,364 63	196,217 71	179,583 10	207,938 78	203,242 40
Galle ..	{ Revenue ..	91,652 67	92,596 64	95,911 63	104,899 28	113,035 46
	{ Expenditure	92,535 45	88,115 81	86,563 57	101,473 50	108,918 0

The abnormal expenditure by the Colombo Municipality was due to the acquisition of lands for Municipal improvements; over Rs. 1,000,000 was spent on this account in 1906.

STATEMENT OF DEBTS OF MUNICIPALITIES UP TO END OF 1906, SHOWING  
PROVISION FOR PAYMENT.

Name of Municipality.	Amount of Debt.	On what account.	Provision for Payment.
Colombo ... ..	Rs. c. Nil.	—	—
	161,750 89	Waterworks construction ...	Water-rate of 6 per cent. on properties within certain portions of the Municipality (Ordinances Nos. 18 and 29 of 1884).
Kandy ... ..	90,699 39	Acquisition of lands above reservoir	Bond assigning portion of water-rate, as authorised by Ordinance No. 7 of 1887.
	18,000 0	To widen Victoria Drive and clear lake silt.	Bond assigning portion of rates and taxes under sections 127 (a) and (b), 128, 129 and 130 of Ordinance No. 7 of 1887.
	14,703 59	For repairing main sewer and constructing new drains.	Do.
Galle ... ..	54,481 76	Construction of waterworks ...	A water-rate of 5 per cent. is levied within the Fort for repayment of loan.
	35,577 45	Sanitary improvements ...	Mortgage of stamp duties on licences for carts, boats, and coaches; and also stamp duties under Licensing Ordinances of 1893 and 1897.
Total ... ..	375,213 8		

As regards the Municipality of Colombo, a sum of Rs. 3,000,000 is being advanced by the Government towards the cost of the Mansergh Drainage and Sewerage Scheme.

The construction of the Colombo Waterworks and the Victoria Bridge was carried out by Government, and the Municipality has undertaken to repay Government an annual sum of Rs. 100,000, until 1924 in respect of the former, and of Rs. 8,000 until 1945 for the latter.

#### (G.) LOCAL BOARDS.

The town of Jaffna having been brought under the provisions of the Local Boards Ordinance, there are now 19 Local Boards in Ceylon. The Boards are entrusted with the maintenance of public health and the general improvement and conservancy of the towns in which they are established. Their sources of revenue are an assessment tax on real property, taxes on vehicles and animals, road commutation tax, stamp duties for various licences, and fines for breaches of by-laws, &c.

In 1906 the total revenue of these Boards amounted to Rs. 330,993 as against Rs. 272,955 in 1905, and the total expenditure to Rs. 297,726 as against Rs. 321,757 in 1905.

Loans are made to Local Boards usually at  $3\frac{1}{2}$  per cent. interest and 2 per cent. sinking fund for approved purposes such as waterworks, drainage, erection of markets, &c., on the security of their revenue. Loans outstanding on 31st December, 1906, amounted to Rs. 386,716.

The following new loans were granted during the year:—

Local Board, Puttalam, Rs. 20,000, for drainage and waterworks.

Local Board, Trincomalee, Rs. 1,800, to meet extra expenses incurred in connection with an outbreak of smallpox.

Local Board, Bandarawela, Rs. 48,000, for waterworks.

## II.—TRADE, AGRICULTURE, AND INDUSTRIES.

### (A.) IMPORTS AND EXPORTS.

The volume of the trade of the Colony has continued to expand. The aggregate value of imports and exports, omitting specie, for 1906 was Rs. 236,315,200, an increase of Rs. 12,236,350 over that of 1905, which was  $3\frac{1}{2}$  million rupees over that of any preceding year.

2. The following table shows the distribution of imports and exports for the last five years in lakhs of rupees. Specie and coal exported for the use of steamers are omitted:—

*Imports and Exports.*

Year.	United Kingdom.		British Possessions abroad.		Foreign Countries.	
	Imports from	Exports to	Imports from	Exports to	Imports from	Exports to
1902 ... ..	268½	536½	599½	161½	110½	284½
1903 ... ..	257½	541½	633½	166	117½	315
1904 ... ..	260½	511½	665½	183	127	316½
1905 ... ..	251½	539½	705½	190	126½	292½
1906 ... ..	296	534½	706½	205½	125½	357½

3. Of the total imports (omitting specie), 63 per cent. came from British Possessions abroad, as against 65 per cent. in 1905; 26 per cent. came from the United Kingdom, as against 23½ per cent. in 1905; 11 per cent. came from Foreign Countries, as against 11½ per cent. in 1905.

Of the total exports (omitting specie and coal), 48½ per cent. went to the United Kingdom, as against 53 per cent. in 1905; 32½ per cent. went to Foreign Countries, as against 28½ per cent. in 1905; 19 per cent. went to British Possessions abroad, as against 18½ per cent. in 1905.

*Imports.*

4. The value of imports, omitting specie, for 1906 was Rs. 112,789,270, as against Rs. 108,324,330 in 1905 and Rs. 105,324,720 in 1904.

5. The value of imports from the United Kingdom rose, roughly, 17·7 per cent. compared with 1905, from British Possessions abroad 2 per cent., while that of imports from Foreign Countries decreased 9 per cent.

6. The increase in the value of imports from the United Kingdom was largely due to coal, the value of which increased by Rs. 2,345,500, but, with the exception of cotton goods, there was an increase in most of the imports from the United Kingdom.

7. As noted above, 63 per cent. of the imports of the Colony came from British Possessions abroad, and the large proportion of this represents food supplies. The value of the Rice imported from British India in 1906 was Rs. 34,533,550, from Burma Rs. 2,653,160, from Straits Settlements Rs. 1,256,750, and paddy from the two former was valued at over 2½ million rupees. The quantity of rice cleared for home consumption, 10,280,300 bushels, was the highest on record.

8. Next to grain, spirits contribute most of the Customs revenue. In 1906 the quantity of spirits of all sorts imported was 205,356 gallons, as against 215,500 in 1905 and 193,140 in

1904. The decrease in 1906 was due to the imports of gin falling from 89,270 to 78,760 gallons, probably in view of the passing of Ordinance No. 21 of 1906, which renders it unlawful to sell spirits of a lower strength than 27° under proof. Hitherto the gin imported has been for the most part of the cheapest and worst kind, and is usually adulterated before retail. The quantities of whisky and brandy imported, viz., 78,870 and 46,040 gallons respectively, remained practically constant.

9. Wines of all kinds show an increase of Rs. 22,180 in value, and the quantity rose from 48,083 gallons in 1905 to 55,071 gallons in 1906.

10. Of Kerosine Oil in bulk 2,101,540 gallons were imported in 1906, as against 2,661,456 in 1905; in cases 1,137,443 gallons, as against 413,751; and liquid fuel 689,963 gallons, as against 1,757,546 gallons in 1905. On 5th September the main storage tank of kerosine oil containing 408,100 gallons at the time was destroyed by fire, and has not yet been replaced. Since the unrest at Baku, Borneo and the United States of America have entered the field against Russia for the Ceylon market. In 1903 the imports from Borneo were valued at Rs. 115,110, in 1904 Rs. 324,910, in 1905 Rs. 145,577, while those of 1906 were Rs. 660,602. From America the value of kerosine oil in cases was Rs. 121,465 in 1904, Rs. 189,229 in 1905, and Rs. 704,386 in 1906. The value of bulk kerosine from Russia in 1905 was Rs. 931,509 as against Rs. 163,891 in 1906, and that of kerosine in cases fell from Rs. 403,550 in 1904 to Rs. 45,349 in 1905 and to Rs. 2,525 in 1906.

11. As regards Coal, the total imports, 681,480 tons, were valued at Rs. 11,919,000. Of this, 332,250 tons were from the United Kingdom as against 215,380 in 1905 and 308,200 tons in 1904, 337,670 tons from British India as against 362,696 in 1905. Imports from Japan fell from 31,875 to 8,200 tons. The coal is almost wholly re-exported for use of steamers, the local consumption being, roughly, only 60,000 tons per annum.

12. As regards Spécie, gold imports, practically all from Australia, were valued at Rs. 3,499,537, and exports Rs. 915,270, as against Rs. 3,160,299 and Rs. 350 in 1905; silver imports at Rs. 7,229,870, practically all from British India, and exports Rs. 1,500,000, as against Rs. 3,729,991 and Rs. 300,000 in 1905.

The import and export of specie are almost wholly in the hands of the Bank of Madras. A larger amount than usual appears to have been imported in 1906 owing to the good prospects of investment in rubber, &c. There was also somewhat of a scare in connection with the Arbuthnot failure at Madras, which led to an increase of imports. Surplus moneys were, as usual, remitted to India at the end of the year, a total of Rs. 2,805,270 being exported in December.

13. Silk Manufactures of all kinds show an increase in value of Rs. 16,000, while woollens show a decrease in value of

Rs. 171,603, the falling off being chiefly under the head Other, *i.e.*, exclusive of Berlin wool, blankets, carpets, and flannel. Under Woollen—Other—imports from the United Kingdom fell Rs. 30,870, from British India Rs. 18,700, from Germany Rs. 43,647, from Italy Rs. 31,300. The value of blankets from British India also decreased Rs. 23,000.

14. Cigars show a decrease in quantity of 10,483 lb., though an increase in value of Rs. 83,240, 106,856 lb. having been imported from the United Kingdom, valued Rs. 337,750, as against 116,204 lb., valued Rs. 245,519, in 1905.

15. Opium 18,885 lb., valued at Rs. 336,110, were imported in 1906, as against 20,082 lb. in 1905 and 21,692 lb. in 1904.

16. Cotton—manufactured and raw—was valued at Rs. 8,194,200, as against Rs. 8,695,950 in 1905, the decrease being chiefly in dyed piece goods.

17. The import of Arms and Ammunition (including dynamite, detonators, fuse, and blasting powder) was over 30 per cent. in excess of that of 1905, and the duty rose from Rs. 67,880 to Rs. 93,090. The value of sporting gunpowder from the United Kingdom increased from Rs. 7,610 to Rs. 19,200.

18. Metals and Metalware increased in value by Rs. 279,300, the principal increases being in pig and tea lead, galvanized iron, and hardware.

19. The following table shows, in round numbers, the fluctuations in some of the most important imports during the last three years, and indicates the progress of competition between British and Foreign goods.—

Imports from—									
United Kingdom.					British Possessions abroad.				
					Foreign Countries.				
1904.	1905.	1906.	1904.	1905.	1906.	1904.	1905.	1906.	1906.
Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.
1,640,000	1,675,500	1,626,700	216,500	157,500	119,500	24,500	13,000	15,200	15,200
416,500	718,000	593,600	1,380,500	1,535,506	1,352,700	608,500	724,500	532,300	532,300
685,500	1,163,000	1,081,800	10,000	28,000	36,300	79,500	107,000	168,100	168,100
37,000	26,500	38,700	4,000	7,000	4,000	1,500	600	145	145
758,000	972,500	930,800	26,000	20,500	18,400	22,500	13,500	28,300	28,300
244,500	407,500	553,800	117,500	118,500	108,400	42,500	153,500	103,100	103,100
245,500	203,500	254,800	31,500	33,000	28,400	138,000	293,000	160,300	160,300
83,000	54,500	61,700	9,500	12,200	6,300	35,000	60,000	23,500	23,500
86,850	52,700	80,500	62,800	41,700	58,400	164,000	178,000	145,300	145,300
197,500	167,500	170,000	234,800	240,500	207,300	160,200	140,800	109,000	109,000
745,200	852,000	921,500	683,000	816,500	764,200	111,500	180,200	190,600	190,600
791,500	894,700	916,800	23,500	15,000	19,000	128,000	141,000	154,200	154,200
532,000	537,000	678,100	500	4,000	680	65,000	122,000	91,000	91,000
69,500	88,000	81,100	18,000	14,000	18,900	105,500	146,500	130,000	130,000
65,500	72,200	115,200	3,700	2,000	300	62,000	127,500	97,800	97,800
45,500	43,500	32,800	650	700	800	61,600	125,000	105,500	105,500
201,000	232,500	258,500	9,500	9,000	9,700	85,000	55,000	86,200	86,200
7,500	9,500	30,800	1,300	2,800	900	265,400	965,800	302,700	302,700
67,500	59,500	97,900	1,287,000	1,605,600	1,474,100	693,000	1,051,300	1,216,300	1,216,300
3,800	8,700	4,700	174,100	173,500	144,200	167,100	189,500	270,000	270,000
96,000	110,000	159,900	—	—	—	88,000	123,000	69,900	69,900
1,500	250	1,200	—	—	500	182,300	200,100	207,200	207,200
180,000	218,000	173,900	1,094,500	1,126,000	1,185,000	591,500	555,500	668,300	668,300
231,500	240,200	242,700	—	125,800	139,400	84,200	37,400	41,600	41,600
219,500	214,600	238,300	38,000	32,200	42,100	85,900	82,800	118,100	118,100
247,500	231,800	188,300	1,300	1,800	700	72,900	70,500	112,100	112,100
86,100	92,800	82,100	—	—	—	100,200	106,400	125,000	125,000
549,600	599,400	782,000	27,700	43,600	31,200	1,102,000	925,800	1,110,000	1,110,000

Cotton piece goods :—

(1) Bleached ...  
 (2) Dyed ...  
 (3) Gray...  
 (4) Mulin ...  
 (5) Printed ...  
 (6) Other ...  
 Apparel, made up ...  
 Flannel ...  
 Silk and satin broad stuffs ...  
 Piece goods, mixed materials ...  
 Haberdashery ...  
 Hardware ...  
 Galvanized iron ...  
 Hoop iron ...  
 Cast steel ...  
 Iron nails and rivets ...  
 Biscuits ...  
 Milk, preserved ...  
 Sugar, refined ...  
 Potatoes ...  
 Cement ...  
 Matches ...  
 Manures, manufactured...  
 Soap ...  
 Fancy articles ...  
 Chinaware...  
 Bottled beer ...  
 Tea chests... ..

20. The total value of Cotton Piece Goods from England was Rs. 4,824,700, as against Rs. 4,963,000 in 1905; from Foreign Countries Rs. 747,000, as against Rs. 912,100 in 1905.

(a) The fall in Bleached Goods from India continued, their value in 1906 being Rs. 118,100, as against Rs. 157,400 in 1905 and Rs. 215,000 in 1904.

(b) As regards Dyed Piece Goods, the phenomenal increase of 1905 was not maintained, and there was a falling off of 17½ per cent. on English goods compared with 1905. The decrease of over 25 per cent. on goods from Foreign Countries was due mainly to the value of German goods falling from Rs. 200,600 to Rs. 83,600, Swiss from Rs. 107,200 to Rs. 75,500, and Italian from Rs. 50,600 to Rs. 21,000. Those from Holland, however, rose from Rs. 270,400 to Rs. 308,800 in value. Imports from India fell from Rs. 1,529,500 to Rs. 1,350,200 in value. The average value of dyed goods from India was under 16 cents a yard, as against 27 cents for English and 33 cents for those from Holland.

(c) Gray Goods of English manufacture show a falling off, roughly, of 8 per cent. compared with 1905, in which year, however, there was a rise of 70 per cent. compared with the preceding year. The Foreign—American—show an increase of 57 per cent., and were over double the value of those of 1904, but still are only about one-eighth of the total imports.

(d) Printed.—The increase in printed goods was chiefly due to goods, valued Rs. 16,250, being received from Russia, from which none were imported in 1905.

(e) Other.—The English goods showed a satisfactory increase of 36 per cent. Foreign decreased 33 per cent., imports from Germany being valued at Rs. 52,950 as against Rs. 91,650 in 1905, and from Belgium Rs. 7,400 as against Rs. 19,100.

21. Apparel made up.—English manufacturers recovered the ground lost in 1905, and foreign manufacturers, which increased 112 per cent. in 1905, decreased 45 per cent. Apparel from Germany was valued Rs. 208,400 in 1905 and Rs. 71,200 in 1906, that from Japan, the only other large exporter, Rs. 58,500 in 1905 and Rs. 71,600 in 1906.

22. Flannel.—The falling off in Foreign imports was in German goods, the value of those imported in 1906 being Rs. 16,800 as against Rs. 54,100 in 1905.

23. Silk Broad Stuffs.—The English goods recovered part of the ground lost in 1905, but were still under one-third of the total imports. Goods of Foreign manufacture show a decrease in value of 18 per cent. The value of Japanese goods rose from Rs. 50,600 to Rs. 72,250, while that of French fell from Rs. 34,300 to Rs. 30,000, Chinese from Rs. 32,200 to Rs. 19,800, and Dutch from Rs. 41,100 to nil. Imports from Hong Kong rose from Rs. 2,800 to Rs. 16,900.

24. Piece Goods and Mixed Materials.—There was a decrease in goods from British Possessions abroad, imports from British

India falling from Rs. 237,000 to Rs. 205,000 in value. The fall in those from Foreign countries also continued, imports from non-British India decreasing from Rs. 72,000 to Rs. 48,200.

25. **Haberdashery.**—English imports show an increase of 8 per cent. Those from British Possessions abroad, which increased 23 per cent. in 1905, a decrease of 6 per cent., British Indian falling from Rs. 773,300 to Rs. 729,800 in value. The Foreign show an increase of 46 per cent., German imports being Rs. 115,300 in value as against Rs. 71,600 in 1905, and French Rs. 15,100 as against Rs. 6,900.

26. **Hardware** showed a satisfactory increase all round. German imports increased from Rs. 89,000 to Rs. 99,300 in value, and American from Rs. 17,200 to Rs. 22,800.

27. **Galvanized Iron.**—German imports increased from Rs. 49,000 to Rs. 64,800, but Belgian fell from Rs. 58,300 to Rs. 18,300, and American from Rs. 14,600 to Rs. 7,800.

28. **Hoop Iron.**—The value of German fell from Rs. 106,900 to Rs. 77,000, while that of Austrian increased from Rs. 18,200 to Rs. 33,600.

29. **Cast Steel.**—German imports fell from Rs. 90,400 to Rs. 61,900 in value.

30. **Iron Nails and Rivets** show a general decrease in value. German decreased from Rs. 59,600 to Rs. 48,300, and Belgian from Rs. 45,200 to Rs. 33,500, while American rose from Rs. 11,700 to Rs. 18,900 in value.

31. The increase in Biscuits of English manufacture continued, and the Foreign biscuits, which fell 35 per cent. in 1905, show an increase of 20 per cent., German having increased from Rs. 54,800 to Rs. 64,300, and Dutch from nil to Rs. 1,400.

32. **Preserved Milk** from the United Kingdom rose from Rs. 9,500 to Rs. 30,800, but the bulk of that imported is from Switzerland, from which the imports of 1906 were valued at Rs. 292,400, as against Rs. 255,400 in 1905.

33. In **Refined Sugar** the steady increase in Foreign imports has continued, the returns for 1906 showing an increase of 15½ per cent. Sugar from British Possessions abroad shows a decrease of Rs. 131,500 in value. The principal supply is from Hong Kong, from which the imports were valued at Rs. 1,167,000 in 1906, as against Rs. 1,386,600 in 1905.

From Foreign Countries the largest supply was from Austria, valued at Rs. 814,036, as against Rs. 460,100 in 1905. That from Java, however, fell from Rs. 488,700 in 1905 (to which it suddenly rose from Rs. 35,000 in 1904 and nil in 1903) to Rs. 74,000 in 1906. That from Germany increased from Rs. 42,000 in 1904 and Rs. 12,900 in 1905 to Rs. 232,700 in 1906.

34. In Potatoes the chief rise was in imports from Italy, valued at Rs. 225,600, as against Rs. 157,000 in 1905. The next largest Foreign supplier is France, with value Rs. 27,500, as against Rs. 29,400 in 1905.

35. Cement from Germany fell from Rs. 90,500 to Rs. 56,500 in value.

36. Matches were imported principally from Sweden, the supply from which was valued at Rs. 167,500, as against Rs. 154,100 in 1905, the next largest supplier being Austria, with value Rs. 35,500, as against Rs. 43,700 in 1905.

37. In Manufactured Manures a decrease of 18 per cent. is shown on English manufactures, and an increase of 20 per cent. on Foreign.

The manures from British Possessions abroad are chiefly castor seed poonac (Rs. 798,200), ground-nut cake (Rs. 126,800), and rape seed poonac (Rs. 63,800) from British India.

The value of basic slag from England fell from Rs. 15,800 to Rs. 9,200. Sulphate of ammonia fell from Rs. 77,700 to Rs. 64,000, "Other" fell from Rs. 65,000 to Rs. 37,000, while blood meal rose from Rs. 52,000 to Rs. 60,500.

The largest proportion of Foreign manures came from Germany. The value of "Other Manures" from Germany rose from Rs. 249,400 to Rs. 393,100, of basic slag from Rs. 34,700 to Rs. 42,200, and of sulphate of ammonia from nil to Rs. 4,900, while that of kainit fell from Rs. 24,800 to Rs. 9,600, and of sulphate of potash from Rs. 156,600 to Rs. 103,500.

38. Fancy Articles from Japan increased in value from Rs. 25,400 to Rs. 49,400, from Germany from Rs. 26,900 to Rs. 35,200, and from Austria from Rs. 12,500 to Rs. 15,500.

39. Chinaware.—The bulk of Foreign chinaware is from Germany, valued at Rs. 84,200, as against Rs. 53,900 in 1905. Belgian was valued at Rs. 7,800, as against Rs. 300 in 1905.

40. Bottled Beer is chiefly imported from Germany, and was valued at Rs. 114,600 in 1906, as against Rs. 84,900 in 1905.

41. Tea chests from Japan were valued at Rs. 1,074,400 in 1906.

42. Food stuffs, beef and pork, butter, cheese, wheat, flour, curry stuffs, ham, and bacon all showed a satisfactory increase in value.

43. The following table gives the Foreign countries which export goods of the highest aggregate value to Ceylon, with the value, in round numbers, of the import from them in 1904, 1905, and 1906:—

*Foreign Countries which Export Goods of the Highest Aggregate Value to Ceylon.*

—	1904.	1905.	1906.
	Rs.	Rs.	Rs.
1. Germany ... ..	2,452,600	2,692,900	2,814,800
2. Japan ... ..	1,757,100	1,623,900	1,557,000
3. United States of America ...	726,000	801,200	1,375,800
4. Austria ... ..	835,700	794,600	1,141,100
5. France... ..	750,600	755,200	797,800
6. Holland ... ..	653,900	677,500	591,400
7. Belgium ... ..	377,200	544,600	425,300
8. Switzerland ... ..	438,700	431,800	422,800
9. Siam ... ..	61,700	172,800	390,800
10. Italy ... ..	270,500	322,900	335,200
11. Russia... ..	1,445,800	983,300	254,500
12. Sweden ... ..	184,900	182,300	193,500
Total of all Foreign Countries, omitting Specie.	12,700,000	12,624,900	12,525,800

44. From this table it appears that imports from Germany constitute 23½ per cent. of the total Foreign imports into Ceylon in value, and exceed those of Japan, the second on the list, by over 1½ million rupees. The imports from Germany of the highest value in 1906 were:—

—	Rs.	—	Rs.
Manures ... ..	627,000	Chinaware ... ..	84,200
Refined sugar ... ..	232,700	Dyed cotton piece goods	83,600
Harberdashery ... ..	115,300	Hoop iron ... ..	77,000
Bottled beer ... ..	114,600	Apparel made up ...	71,200
Hardware ... ..	99,300		

45. The imports from Japan formed 12 per cent. of the total Foreign imports, and, except in coal, show an increase over last year. The largest items are tea chests Rs. 1,074,400, coal Rs. 121,000 (as against Rs. 470,000 in 1905), silk broad stuffs Rs. 72,200 (as against Rs. 50,600 in 1905), and apparel made up Rs. 71,600 (as against Rs. 58,500 in 1905).

46. The United States of America are placed above Russia and Austria on the list of 1906, the total imports from them showing an increase of 71 per cent. over those of 1905.

The value of keosine oil in cases was Rs. 704,400, as against Rs. 189,200 in 1905. This increase was to supply the deficiency in the supply of Russian oil from Baku. Gray piece goods were valued at Rs. 168,000 as against Rs. 105,250 in 1905, and tobacco at Rs. 73,200 as against Rs. 50,000 in 1905.

47. Austria, too, displaced Russia, and imports from it, excluding the value of casks and shooks, which are mostly returned empties, show an increase of 44 per cent. over those of

1905. The value of refined sugar from Austria rose to Rs. 814,000, as against Rs. 460,150 in 1905.

48. French imports show a small increase. Brandy was valued at Rs. 311,000 as against Rs. 317,900 in 1905, wines at Rs. 170,500 as against Rs. 149,500, and umbrellas at Rs. 80,000 as against Rs. 40,850.

49. The imports from Holland show a decrease of Rs. 86,100. The value of gin fell from Rs. 244,900 to Rs. 181,000, but that of dyed cotton piece goods rose from Rs. 270,400 to Rs. 308,700.

50. Holland silk broad stuffs fell from Rs. 41,100 to nil.

51. Belgian imports, which rose 44 per cent. in 1905, decreased by nearly 23 per cent. The chief imports were:—

Refined sugar Rs. 55,300, as against Rs. 49,450 in 1905.

Iron drums Rs. 49,200, as against Rs. 34,500 in 1905.

Iron, bar, flat, and rod, Rs. 44,400, as against Rs. 61,500 in 1905.

Iron nails and rivets Rs. 33,500, as against Rs. 45,250 in 1905.

Cast steel Rs. 32,500, as against Rs. 35,500 in 1905.

52. The increase in the case of Siam is due to increased imports of teak, which was valued in 1906 at Rs. 362,800, that from Burma being valued at Rs. 182,800. In 1905 the Burmese was valued at Rs. 276,800 and the Siamese at Rs. 171,300.

53. The falling off in the case of Russia is due to the drop in the value of kerosine oil from Rs. 976,900 in 1905 to Rs. 166,400, which has been already noted.

### *Exports.*

54. The following table shows the comparative figures for the last three years:—

—	1904.	1905.	1906.
	Rs.	Rs.	Rs.
Value of Ceylon produce ...	99,894,461	100,898,551	108,248,232
Value of Imports re-exported	1,214,415	1,291,158	1,463,412
Value of Specie ...	3,157,050	300,350	2,805,270
Coal for use of steamers ...	13,400,740	13,564,780	13,814,240
Total ...	117,666,666	116,054,839	126,331,154

55. The value of Ceylon produce and manufactures exported to the United Kingdom was Rs. 53,264,700, as against Rs. 53,827,200 in 1905 and Rs. 51,062,800 in 1904. To British Possessions abroad Rs. 19,386,800, as against Rs. 17,313,500 in 1905 and Rs. 15,630,600 in 1904. To Foreign Countries Rs. 35,596,700, as against Rs. 31,518,200 in 1905 and Rs. 31,365,900 in 1904.

56. The total increase in the value of Ceylon produce exported was Rs. 7,349,681.

57. The following table shows the distribution of the staple exports of the Colony, exclusive of tea, in round figures, for the last three years :—

	To United Kingdom.			To British Possessions abroad.			To Foreign Countries.		
	1904.	1905.	1906.	1904.	1905.	1906.	1904.	1905.	1906.
Product of coconut palm ...	Rs. 7,883,500	8,963,000	7,130,700	Rs. 1,096,000	1,439,000	2,516,800	Rs. 15,429,500	12,046,000	13,472,200
Plumbago ...	1,800,000	1,929,500	2,792,000	40,500	33,500	57,500	4,660,000	5,207,500	7,607,900
Cinnamon ...	328,000	296,000	310,500	66,500	81,000	40,500	1,877,500	1,935,000	2,291,000
Cacao ...	1,559,000	1,611,000	1,415,500	225,000	333,500	219,000	663,500	489,000	417,900

58. From this it appears that the total value of products of the coconut palm exported was Rs. 23,119,600 as against Rs. 22,448,000 in 1905 and Rs. 24,409,000 in 1904, and formed over 21 per cent. of the total value of Ceylon produce.

The total value of Coconut Oil was Rs. 9,545,700 as against Rs. 9,815,900 in 1905, the average value, as given in the exporters' entries, rising from Rs. 16.71 to Rs. 17.71 per cwt

The total value of Fresh Coconuts was Rs. 929,700 as against Rs. 945,900 in 1905, though the average price increased from Rs. 52.21 to Rs. 57.33 per 1,000.

The total value of Copra exported was Rs. 5,661,300 as against Rs. 4,904,200 in 1905, the average value per cwt. rising from Rs. 12·53 to Rs. 12·61.

The total value of Desiccated Coconuts was Rs. 3,404,000 as against Rs. 3,301,500 in 1905, the average price rising from Rs. 17·93 to Rs. 18·72 per cwt.

The total value of Coir Stuffs was Rs. 2,267,800 as against Rs. 2,326,700 in 1905.

The total value of Poonac was Rs. 1,064,800 as against Rs. 1,038,236 in 1905.

59. Plumbago exports show an increase in value from Rs. 7,170,300 to Rs. 10,457,500, and in quantity from 30,642 to 35,092 tons. The figures are the highest on record.

60. The total value of Cinnamon was Rs. 2,642,000 as against Rs. 2,312,500 in 1905, and of Cacao Rs. 2,052,400 as against Rs. 2,433,600 in 1905.

The total value of Citronella Oil exported was Rs. 1,204,764 as against Rs. 1,041,256, the average price rising from 84 to 99 cents per lb.

The export of Cardomoms was 6,505 cwt. valued at Rs. 585,755, as against 7,888 cwt. valued at Rs. 583,072 in 1905, the increase in value being from Rs. 73·92 to Rs. 90·05 per cwt.

The export of Rubber in the last four years has been 387, 676, 1,401, and 3,705 cwt. respectively, and as the trees that have of recent years been widely planted become fit to tap there is every prospect of a very considerable expansion of the export of this product.

61. The following table shows the countries to which Ceylon produce of the highest value was exported during the last three years:—

Exports to	In 1904.	In 1905.	In 1906.
	Rs.	Rs.	Rs.
United States of America	8,193,536	8,151,800	10,333,500
Germany ... ..	8,666,300	6,568,500	8,201,700
British India ... ..	4,708,900	5,071,700	6,013,000
Russia ... ..	4,992,300	4,415,500	5,780,100
New South Wales ... ..	3,566,900	3,465,700	3,233,000
Victoria ... ..	3,046,800	2,996,700	3,190,300
Austria ... ..	1,975,200	2,962,400	3,005,900
Belgium ... ..	2,834,300	1,995,700	2,708,900
Canada ... ..	2,195,200	2,302,500	2,635,700
China, excluding Hong Kong.	688,100	1,526,400	1,947,200
New Zealand ... ..	1,389,000	1,484,600	1,574,700
France ... ..	1,840,900	1,367,500	795,800

62. The United States of America have retained their place above Germany as the largest consumers of Ceylon produce.

There was a large increase in the exports of plumbago, which were valued at Rs. 4,668,200, as against Rs. 2,912,900 in 1905 and Rs. 2,535,800 in 1904.

Tea exports were valued at Rs. 2,030,700 as against Rs. 1,741,000 in 1905.

Citronella oil showed a satisfactory increase from Rs. 490,500 to Rs. 508,100.

Cinnamon was valued at Rs. 373,100 as against Rs. 274,100.

There was a falling off in coconut oil, which was valued at Rs. 1,673,500, as against Rs. 1,906,500 in 1905 and Rs. 2,360,100 in 1904, and also in desiccated coconut from Rs. 658,600 in 1905 to Rs. 435,200.

63. Exports to Germany revived somewhat in 1906. The most marked increases were in corpa, the value of which rose from Rs. 1,833,200 to Rs. 2,289,600, and in coconut oil, which rose from Rs. 147,750 to Rs. 604,800. There was also an increase in desiccated coconut from Rs. 452,000 to Rs. 551,700, in cinnamon from Rs. 807,400 to Rs. 883,000, and in tea from Rs. 357,100 to Rs. 440,500.

The fall in cacao continued from Rs. 516,300 in 1904 and Rs. 337,500 in 1905 to Rs. 201,100.

There was also a small decrease in poonac (valued at Rs. 599,500) and in citronella oil (Rs. 94,600).

64. Russia.—The value of tea exported to Russia was Rs. 4,909,800 as against Rs. 3,931,000 in 1905, and of copra Rs. 854,400 as against Rs. 446,300. In plumbago there was a falling off from Rs. 33,500 to Rs. 15,000.

65. Austria.—There was a slight increase in the exports to Austria, which are principally coconut oil, copra, and tea.

66. Belgium.—Exports to Belgium recovered in 1906. The value of plumbago rose from Rs. 635,100 to Rs. 885,100, of copra from Rs. 149,200 to Rs. 403,800 (as against Rs. 989,500 in 1904), of desiccated coconut from Rs. 93,700 to Rs. 149,000, of cinnamon from Rs. 171,800 to Rs. 204,000, and of poonac from Rs. 388,900 to Rs. 463,500.

67. China.—The increase was in tea, valued at Rs. 1,918,700 in 1906, as against Rs. 1,504,900 in 1905.

68. France.—The fall in the export to France continued, copra falling in value to Rs. 251,700 from Rs. 999,800. The value of tea, however, rose to Rs. 199,300 from Rs. 139,000 in 1905.

69. The exports to the Australian Colonies were almost wholly tea.

70. The export of plumbago to Japan, which rose in 1905 from Rs. 85,200 to Rs. 270,400, fell in 1906 to Rs. 89,000 in value.

*Tea.*

71. A total of 170,527,126 lb. of tea was exported in 1906 as against 170,183,572 lb. in 1905 and 157,929,342 lb. in 1904, the average value being entered at 36 cents per lb. as against 35 cents in 1905.

72. Of these 170½ million lb., 108 million were shipped to the United Kingdom (nearly 4 million less than in 1905), 13·7 million to Russia (an increase of 2·4 million), 8·8 to New South Wales (a decrease of ·42), 8 to Victoria (an increase of ·1), 7·2 to Canada (an increase of ·8), 5·6 to the United States (an increase of ·6), 5·3 to China (an increase of 1), 4 to New Zealand, 1·75 to South and Western Australia, and 1·2 to Germany (an increase of ·2).

73. The total value of tea exported in 1906 was estimated at Rs. 61,389,765, as against Rs. 59,564,245 in 1905 and Rs. 56,854,563 in 1904, and formed 56½ per cent. of the total value of Ceylon produce.

74. The total quantity of green tea exported was 3·8 million lb. as against 3·08 in 1905, 5·4 in 1904, and 8·2 in 1903.

The following table shows the fluctuation in the export of green tea during the past six years:—

Year.	Exported to		Russia.	United States of America.
	United Kingdom.	Canada.		
	Lb.	Lb.	Lb.	Lb.
1901 ... ..	260,949	549,013	40,122	360,373
1902 ... ..	411,514	736,534	133,180	1,264,383
1903 ... ..	1,794,853	2,695,628	152,388	3,522,441
1904 ... ..	1,736,795	1,584,838	425,657	1,596,446
1905 ... ..	264,807	1,285,300	855,121	621,859
1906 ... ..	430,038	1,763,966	919,688	601,470

*Customs Revenue.*

75. The revenue derived from Customs dues in 1906 was the highest ever reached, surpassing that of 1905, the previous record, by Rs. 222,193·37. The following table shows the income from this source for the ten years beginning from 1897:—

*Gross Customs Revenue for the Ten Years ended 1906.*

Year.				Revenue.	
				Rs.	c.
1897	...	...	...	6,278,787	49
1898	...	...	...	6,714,625	82
1899	...	...	...	7,101,851	73
1900	...	...	...	7,620,432	29
1901	...	...	...	7,446,807	26
1902	...	...	...	7,630,175	62
1903	...	...	...	8,043,062	94
1904	...	...	...	8,334,431	74
1905	...	...	...	8,652,985	38
1906	...	...	...	8,875,178	15

76. The chief nett increases in 1906 were on sugar (Rs. 159,570), other goods (Rs. 54,025), and grain (Rs. 45,165). There were decreases on spirits (Rs. 56,138) and kerosine oil (Rs. 29,779).

77. The chief articles contributing to the revenue in 1906 were:—

—				Amount.	
				Rs.	
Grain	...	...	...	3,375,336	
Spirits	...	...	...	1,045,189	
Sugar	...	...	...	785,865	
Kerosine Oil	...	...	...	753,815	
Cotton Goods	...	...	...	317,294	

(B.) MINES, MANUFACTURES, AND FISHERIES.

*Pearl Fishery.*

Ordinance No. 8 of 1906 confirming the agreement dated 30th November, 1905, between the Crown Agents for the Colonies and the Gulf Syndicate, Limited, for the lease for twenty years from 1st January, 1906, of the exclusive right to remove oysters from the beds between Talaimannar and Dutch Point Bay was assented to by His Excellency the Governor on 1st March, 1906.

2. The "Ceylon Company of Pearl Fishers, Limited," has agreed to pay an annual sum of Rs. 310,000, to expend a sum of not less than Rs. 50,000, to be increased at the discretion of the Government to any sum not greater than Rs. 150,000 per annum, upon the improvement and scientific development of the fishery, and to pay all the expenses of the supervision and protection of the Fishery Camp by Government.

3. The fishery of 1906 was conducted in a similar manner to previous fisheries on Government account, an adjustment being finally made with the Company when the accounts were closed. This fishery was the fourth in succession after twelve practically blank years prior to 1903.

4. There was fishing for oysters on thirty-six days between 20th February and 3rd April, and 66,692,214 oysters were obtained by 8,368 divers (of whom 4,090 were Arabs) in 473 boats.

The gross amount realized by the Company's share (two-thirds) was Rs. 1,376,745, which has only been exceeded in 1905, when a sum of Rs. 2,060,970 was obtained.

The Government has received Rs. 310,000 as rent, Rs. 239,420 in repayment of cost of supervision of the fishery, Rs. 69,587 as rent of boutique sites, Rs. 8,850 from materials supplied to contractors, &c., making in all Rs. 627,857.

5. By Ordinance No. 17 of 1906 provision has been made for the protection of pearl oysters, including the "window" oysters, in the territorial waters of the Colony.

6. Tenders were invited, as the best means of protection, for the lease for five years of the right to collect window oysters of over 5½ inches in diameter in Tamblegam Bay on the Trincomalee coast, and a sum of Rs. 3,550 per annum was accepted.

### *The Mineralogical Survey.*

The work of the Department continued throughout the year under the direction of Dr. Coomaraswamy, and it was decided that the four years' terms of the survey should be extended for a further three years from the end of 1906.

2. The officers were chiefly engaged in the field, but 921 specimens in the Colombo Museum were catalogued, and also a large number of specimens received from private individuals were reported upon.

3. Asbestos was found in the Galle District, but the quantity and quality are not such as appear at present to render it of commercial importance.

4. Near Pelmadulla an interesting deposit of native copper in laterite was observed. There seems no reason to doubt its natural origin, but it is feared the quantity obtainable is too small for the discovery to have any commercial value.

5. Concentrates fairly rich in monazite and thorianite were found in a few places near Dodanduwa, and investigations at Maddegama in Hinidum pattu proved that thorianite was derived from a decomposed mica orthoclase pegmatite, in which it occurred in commercially paying quantities. It is not yet known if there is sufficient quantity there to pay for mining and crushing the hard rocks, which will be reached after the decomposed portion of the vein has been removed.

6. Near Welimada some fragments of thorianite were observed in a deposit associated with a mica spinel rock, itself closely associated with quartz orthoclase pegmatite. Thorite was also obtained both in the gravel and in the soft micaceous veins of the rock itself.

7. Investigations near Bogoda, where a similar mica spinel rock was observed, proved the occurrence of thorianite and thorite in a small gravel deposit associated with it.

8. These results will be of the greatest service as guides in prospecting for thoria-bearing minerals, which has hitherto been largely a matter of chance.

9. Thorite was also found in small quantities in Uda Dumbara disseminated in a granite rock and in stream gravel.

10. Occurrences of andalusite and sillimanite were investigated near Hatton, and fragments of zircon and corundum were found in some abundance in the gravel of the district and also at Madugoda in Uda Dumbara.

11. Interest in mica was renewed, and some productive mines were worked. This mineral occurs over a very extended area.

### *Mining.*

The output of plumbago increased during the year, and 10,457,490 cwt. were exported, as against 7,170,321 cwt. in 1905. The average value placed upon it by the exporters also rose from Rs. 11·70 to Rs. 14·90 per cwt.

2. The mines are chiefly in the Ratnapura and Kurunegala Districts and managed by native capitalists. In Dumbara in the Ratnapura District a European Syndicate is carrying on operations, with, it is believed, favourable results.

3. Mica continued to be worked in the Ratnapura District, and 99 cwt. were exported to England, valued at Rs. 7,516, or Rs. 75·92 per cwt.

4. There was a falling off in the export of thorianite from 179 cwt. to 52 cwt.; this was due in some measure to the combination in Europe to lower prices, owing to which the Government share recovered by way of royalty on thorianite obtained from Crown lands is being retained in store.

### *Salt.*

The manufacture of salt is a Government monopoly, and is protected by the imposition of a duty of Rs. 2·13 per cwt. on imported salt. A sum of Rs. 1,736,075 was realized by its sale in 1906, or Rs. 329,492 in excess of 1905.

2. The year was a favourable one for its manufacture and collection, and a fairly large collection was made in Puttalam, amounting to 317,290 cwt. as against 396,417 cwt. in 1905. Good collections were also made in Hambantota, Trincomalee, and in the Northern Province.

3. The Government stores at manufacturing centres were well stocked at the end of the year, and contained the equivalent of the Island's average consumption for a period of nearly two and a half years.

4. The special retail stores established by Government at Galle, Colombo, and Haputale kept the retail price of salt at a reasonably low figure. With the object of further reducing the cost to the consumer, the price at manufacturing centres was reduced from Rs. 3·50 to Rs. 3 a cwt.

### *Manufactures.*

Indigenous crafts of the Kandyan country are silver and brass work, the making of jewellery, earthenware, tiles, bricks, and painted pottery, the plaiting of fibre mats and weaving of cloths, painting on wood and cloth, lacquer work, and ivory carving.

2. Good work is being done by the Kandyan Art Association in encouraging a high standard of excellence, especially in brass and silver work, and discouraging the crude imitations of Western patterns, which has done so much to injure native art both in India and in Ceylon.

3. In other districts the making of coir rope from coconut husks, of mats, baskets, bricks and tiles, common earthenware for water pans, &c., is generally pursued for local wants, and also carpentry and blacksmiths' work.

4. 20,840 cwt. of coir rope and 104,825 cwt. of coir yarn, prepared for the most part by village women, were exported in 1906.

5. Cloth of a coarse description is woven in the Manmunai pattu of the Eastern Province, where over 600 looms are working, and also in the Northern Province, where, too, there is a mat-dyeing industry.

6. In the Eastern Province brass work for utilitarian purposes—for the making of lamps, betel stands, plates, and water pots—is carried on in about 50 foundries.

7. The manufacture of jewellery is carried on to a fairly large extent at Jaffna in the Northern Province and at Galle in the South.

8. Cigars are made in the Northern and part of the Central Province. The Jaffna cigar, very small, strong, and cheap, is consumed almost exclusively by the natives of Ceylon.

9. In the Matara and Hambantota Districts of the Southern Province the distillation of citronella oil is pursued, and arrack is distilled from toddy in parts of the Western and Southern Provinces.

10. The making of copra is carried on in most of the coconut districts of the Island.

11. Fish-curing for inland consumption is pursued by the fishermen of Negombo, Hambantota, and Trincomalee.

### (C.) AGRICULTURE.

#### *Botanic Gardens and the Agricultural Society.*

The Ceylon Agricultural Society, founded in November, 1904, had at the end of 1906 a membership of 1,110, and 50 branch societies spread all over the Island working under its auspices. It aims at the improvement and development of local agricultural industries and the dissemination of new products, also at the improvement of the local breeds of cattle and poultry. Distributions of seed, fruit trees, and plants have been made, together with literature bearing on their cultivation, and much attention has been paid to the cultivation of vegetables. The Society is now in close touch with the scientific staff at Peradeniya, the Director of the Royal Botanic Gardens having been appointed by the Governor organizing Vice-President of the Society.

2. The principle of co-operation has been adopted by more than one of the branches, seed and in some cases money having been advanced by the local societies to their members at low interest. Important results may be expected from the extension of this principle of co-operation and self-help in the future.

3. Agricultural Instructors are employed in visiting centres and giving demonstrations and practical lessons to the village cultivators, and Stock Inspectors have given demonstrations of scientific castration of cattle unfit for breeding purposes.

4. Ten successful Agri-Horticultural Shows were held during the year with prizes and certificates for various classes of fruits, flowers, vegetables, commercial products, and live stock.

5. Experiments with transplantation and introduction of new varieties of paddy and other products have continued, also with rotation of crops on chenas or high grounds, which have shown the falsity of the contention that the land is too poor to grow regular crops. Cotton cultivation has been introduced into several Provinces, and attention has also been paid to tobacco and improved means of curing it.

6. At a Sericulture Experimental Farm silkworms introduced from India and Assam are being reared, and experiments have also been conducted in apiculture.

7. At the Peradeniya Experiment Station some ninety-five experiments are being carried on. The experiment lasting since 1902 upon the eradication of cacao canker by excision and spraying has yielded valuable results. In 1902 it was estimated that 98 per cent. of the trees were diseased, and the crop was about  $\frac{1}{2}$  cwt. per acre. Now only 3 per cent. of the trees are diseased, and the crop nearly 4 cwt. per acre.

*Position of Agricultural Industries.*

7. The state of the agricultural industries remains on the whole one of genuine prosperity.

Tea, the largest industry, maintained its position. The general quality was of good average. The output has been commented upon under "Exports."

Coconuts, owing to the drought, yielded badly, but the extraordinary rise in prices of the product of the palm, especially copra and coconut oil, quite compensated for the reduced yield. See comments under "Exports."

Cacao remained in a good and healthy condition, though the output was reduced by the drought at the end of 1905 and beginning of 1906.

The Cardamom crop was up to expectations, 6,505 cwt. being exported at an average value of Rs. 90·05 per cwt., as against 7,888 cwt. at Rs. 73·90 per cwt. in 1905.

Coca, though only a small crop, continues to prosper. The Ceylon leaf brings higher prices than the South American, and is largely the standard of the market.

Citronella Oil.—The output, viz., 1,213,748 lb., remained practically constant, but the average value in 1906 rose from 84 to 99 cents per lb. Experiments with the distillation of oil from lemon grass and citronella are continuing at Peradeniya with a view to extending these industries.

Camphor.—Owing to the high price more attention has been bestowed upon this product, and large quantities of seed were imported from Japan and Formosa, with disappointing results as regards germination. Experience has, however, since shown that where fresh seed is sown without delay the germination is satisfactory. Attempts are being made to strike plants from cuttings. The distillation of camphor has been improved, and a larger yield is now obtained than formerly.

8. Rubber has undergone great extension, and there are probably 120,000 acres now under it as against 40,000 at the end of 1905 and 11,000 at the end of 1904. The value of that exported was Rs. 1,527,539 as against Rs. 557,945 in 1905 and Rs. 221,000 in 1904. The trees are, as a rule, remarkably healthy, and in suitable soil the growth is vigorous, giving every promise of success in the future.

9. In September the first Rubber Exhibition was held in the Peradeniya Gardens, and proved a great success. The exhibits were chiefly confined to rubber and machinery and appliances connected with its production from Ceylon, Malaya, South India, Bombay, the Philippines, and Germany, from which countries and also from London representatives attended. Interesting and instructive lectures were delivered by experts among the visitors and the Botanic staff on the cultivation and treatment of rubber and its preparation for the market. Ceylon secured a very satisfactory proportion of the prizes offered.

10. Paddy.—Rice being the staple article of food, paddy cultivation is the main industry of the village agriculturists throughout the Island. The possibility of failure of the rains at the required season where the cultivator is dependent upon the natural rainfall renders its cultivation somewhat precarious, and during 1906 there were complete or partial failures of both crops in many parts of the Northern, Eastern and Uva Provinces owing to the drought. In such seasons the villagers in the districts not served by irrigation works have to depend for their food either on imported rice or on the “dry” grains, millet, &c., cultivated on “chenas.” It is hoped that the completion of the larger irrigation works will render the cultivation of land under them practically independent of the ordinary fluctuations of weather.

The total area under paddy cultivation was roughly estimated at 634,567 acres in 1906. The output is never sufficient to meet the demands of the population, including Indian immigrant coolies, and in 1906 6 million cwt. of rice, valued at Rs. 39,000,000, were imported to supplement the local supply.

11. Tobacco is extensively grown in the Northern Province, and also in the Dumbara Valley of the Central Province and in the Trincomalee District.

In the Jaffna District the area under tobacco is estimated at 7,000 acres. The plants are irrigated with water from wells of from 20 to 35 feet in depth by means of well sweeps worked by coolies, and so are largely independent of the rainfall.

The crop of 1906 was heavier than usual, but the supply exceeded the demand, and there was consequently a general fall in price. The future of the cultivation depends to a great extent on the finding of new markets for export. At present practically the whole of that exported—in 1906 4,400,000 lb. of unmanufactured tobacco—is exported to Cochin and Travancore. Experiments in improved means of curing are being undertaken. The great proportion of that grown is consumed locally, and even here the cigarettes of the British-American Tobacco Company are reported to be obtaining a large consumption among the natives.

#### (D.) LAND SETTLEMENT.

The useful work of the Land Settlement Department, the staff of which was increased to four Settlement Officers, continued during the year. Their operations were chiefly confined to the Southern, Uva, the North-Central, and the North-Western Provinces.

The difficulties attending this important work are but faintly realized by the general public, and irritation is sometimes felt at what appears to those who are ignorant of the details to be unreasonable delay. Putting aside the time necessary for legal notice, the attached two maps\* of a village before and after

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\* Not reproduced.

settlement will show the amount of work in separating Crown land from village claims and surveying such claims separately.

2. In the Southern Province 54 notices were issued in 1906 covering 6,921 acres of land, and 176 final orders, some of course in respect of land noticed in 1905, were made, under which 16,800 acres were declared the property of the Crown and 1,263 acres private property.

3. In the Province of Uva 46 notices were issued in 1906 covering 17,712 acres, and 123 final orders were made declaring 9,065 acres Crown land and 2,196 private property.

4. In the North-Central Province 143 notices were issued covering 58,243 acres, and 149 final orders were made declaring 61,213 acres Crown property.

5. In the North-Western Province 23 notices were issued covering 4,896 acres, and 18 final orders declared 1,302 acres Crown property and 16 acres private.

6. In Trincomalee District one notice was issued covering 34,400 acres.

7. The total operations under the Waste Lands Ordinance have so far covered 850,733 acres, and on 31st December, 1906, a total of 716,849 acres had been settled, of which 681,943 were declared Crown, 26,322 private, and 8,584 were sold.

8. The operations of the Survey Department during the year comprised 130,283 acres under the Block Survey, 92,480 acres under the Topographical Survey, and 65,968 acres under Application Surveys.

9. The extension of rubber cultivation caused an extraordinary demand for land during the year, and the block surveys had to give way to some extent to the application work.

10. A total of Rs. 2,592,565 was realized by the sale of Crown lands in 1906, or over double the amount obtained in 1905. The total brought to account under the head Land Sales was Rs. 2,616,485, as against Rs. 1,133,568 in 1905 and Rs. 698,686 in 1904.

11. The highest average price of Crown land sold by public auction, viz., Rs. 102·85 per acre, was obtained in the Ratnapura District, 1,017 acres being sold at this rate, chiefly for rubber cultivation. In the Kandy District 384 acres were sold at an average price of Rs. 95 per acre, and in the Matale District 2,604 acres at an average price of Rs. 46·53 per acre. In the Colombo District the average price was Rs. 82·34 per acre, and in the Kalutara District—where the largest area was sold during the year—20,407 acres were sold chiefly for rubber at an average price of Rs. 55·66 per acre. In another good rubber district, Kegalla, 6,765 acres were sold at an average price of Rs. 43·58 per acre. In the Kurunegala District 1,783 acres of land suitable for coconuts and rubber were sold at the

average price of Rs. 46·50, and in the Chilaw District 870 acres for coconut cultivation at Rs. 61 per acre.

### (E.) SHIPPING.

In 1906 3,894 vessels entered at the ports of Ceylon with a tonnage of 6,697,329 tons, as against 3,664 vessels with tonnage 5,605,664 in 1905.

2. Of these, 1,829 with tonnage 4,625,821 tons were British (as against 1,756 with tonnage 4,040,723 in 1905) and 1,352 British Colonial (chiefly native sailing ships) with tonnage 106,546.

3. Of the Foreign vessels, the German were 223 in number with tonnage 832,988 tons as against 198 in 1905 with tonnage 751,405, 147 French (as against 139 in 1905) with tonnage 451,568, 54 Japanese with tonnage 191,169, 53 Russian with tonnage 136,263, and 23 Danish as against 3 in previous year.

### *Colombo Harbour Dues.*

The total collection of harbour dues at Colombo during 1906 amounted to Rs. 1,290,696, an increase of Rs. 77,667·94 over 1905, and is the largest yet recovered.

## III.—LEGISLATION.

Among the more important Ordinances passed in 1906 were:—

No. 4 of 1906.—“An Ordinance to prevent the overcrowding of Vessels carrying Passengers from Ceylon to any port or place in British India.” This Ordinance substituted for Ordinance No. 1 of 1860, which was enacted in order to prevent the overcrowding of vessels carrying passengers in the Gulf of Mannar and Palk’s Straits, a measure on similar lines applying to vessels carrying passengers from Ceylon to any port or place in British India.

No. 5 of 1906.—“An Ordinance to provide for compulsory Vernacular Education in Municipal and Local Board Towns under the operation of ‘The Small Towns Sanitary Ordinance, 1902,’” established a system of compulsory education in the vernacular languages in Municipal and Local Board towns; and empowers the local authority to defray the necessary expenses from the funds at their disposal.

No. 8 of 1906.—An Ordinance to confirm an Agreement for a Lease of Pearl Fisheries (already referred to).

No. 15 of 1906.—“An Ordinance to amend the Law relating to the granting of Patents for Inventions”

replaced the previously existing Inventions Ordinance by a measure on the lines of the enactments with regard to patents which are in force in Great Britain and throughout the greater part of the Empire.

- No. 16 of 1906.—Consolidating Irrigation Ordinance. (See remarks under “Irrigation.”)
- No. 17 of 1906.—“An Ordinance to make better provision for the protection of the Pearl Fisheries of Ceylon.” This Ordinance was framed with the object of protecting pearl-producing oysters of all descriptions, including the “window oyster” and any exotic species which may be introduced into the Island waters.
- No. 21 of 1906.—Licensing Ordinance Amendment Ordinance renders it unlawful to sell spirituous liquor of a lower strength than 27° under proof. It aims at the prevention of the excessive dilution of imported spirits, especially gin, which being largely adulterated were being sold at a very cheap rate and entering into competition with arrack, from the sale of the exclusive right to sell which a considerable revenue is derived annually.
- No. 26 of 1906.—“An Ordinance to make better provision for facilitating and regulating the supply and use of Electrical Energy for Lighting, Traction, and other purposes” replaced “The Electricity Ordinance, 1895,” by a measure more in accordance with modern requirements.
- No. 28 of 1906.—“An Ordinance to prohibit the carrying of dangerous Knives.” Nearly every Sinhalese villager carries a knife for use in his ordinary avocations, and is prone to use it upon the slightest provocation, with too often fatal results. This Ordinance renders it penal to carry, within any proclaimed district, a knife with a blade more than 3½ inches in length, and unless so rounded or blunted at the point as to be incapable of being used as a stabbing instrument.

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#### IV.—EDUCATION.

##### (A.) PRELIMINARY.

It is not possible to draw the same clear line between Primary and Secondary education in Ceylon as can be drawn in other countries. The matter is complicated by the fact that English is a foreign language to all but a fraction of the population; the Europeans, Burghers, and Eurasians added together form a little less than 1 per cent. of the population; the Sinhalese form 65 per cent. of the total; the Tamils and Tamil-speaking

Moors 33 per cent. A few families among the educated Sinhalese and Tamils have adopted English as their home language, but in many of the poor families of Burghers and Eurasians the children are brought up without anything approaching to a complete knowledge of any language. The result is that most of the schools in which English is taught are teaching a language which is foreign to the great majority of their pupils, and the distinction between Primary and Secondary education is replaced by the distinction between Vernacular and English schools. The Vernacular schools really constitute the Primary education of the country. The Department of Public Instruction attempted for some time to make a distinction between those English schools which confined their work to the schedules of the Code and those which also prepared pupils for such examinations as the Cambridge Local or the London University Matriculation, the latter being classed as High schools. But the distinction is no longer maintained by the Department, nor was it of any real value, for most of the so-called High schools were really of the same class as the elementary schools, and the main part of their work was carried on in accordance with schedules based closely on those of the earlier English Codes for elementary schools.

#### (B.) VERNACULAR EDUCATION.

2. The following table shows the numerical progress for the last five years in the case of Vernacular schools:—

Year.	Number of Government Schools.	Attendance.		Number of Aided Schools.	Attendance.	
		Boys.	Girls.		Boys.	Girls.
1902 ...	495	44,457	10,878	1,249	71,659	36,138
1903 ...	497	44,631	11,132	1,273	77,619	37,707
1904 ...	507	46,785	11,678	1,316	77,700	39,103
1905 ...	529	52,375	12,829	1,386	85,436	44,144
1906 ...	566	54,249	13,827	1,429	90,389	44,599

3. From this it appears that there were in 1906 altogether 1,995 Government or Aided schools, attended by 144,638 boys and 58,426 girls. These figures show an increase of 80 schools, of 6,827 boys, and 1,453 girls over the corresponding figures of 1905.

4. In addition to these, 31,327 children were reported to be receiving instruction in 1,785 Unaided schools, almost all of them Vernacular; the figures furnished by such schools cannot, however, be relied upon, and the education is often of very little value.

5. The total spent by Government on Vernacular education was Rs. 608,670, of which Rs. 259,242 was expended on Government schools and Rs. 349,428 on Aided schools. This gives the cost to Government of education of a child in a Government school as Rs. 3·81 or 5s. 1*d.* per annum, and in an Aided school as Rs. 2·58 or 3s. 5½*d.* per annum.

6. The above shows that there has been a fair rate of progress in the past five years, during which the number of children attending school has increased by, roughly, 25 per cent., but a good deal remains to be done in regard to the education (a) of girls, (b) of children within the larger towns, and (c) of children in certain sparsely populated districts.

7. As regards the first, the education of girls presents special difficulties in the East, and few Asiatic countries have accomplished so much as has been done in Ceylon; but many years must elapse before the whole Island is ready for anything like a complete measure of compulsory female education.

8. As regards the second, an Ordinance entitled the Town Schools Ordinance was passed in 1906, which gives to Municipalities and Local Boards power to enforce attendance and to provide additional schools where they are required. The Colombo Municipal Council is preparing to bring this Ordinance into force within the limits of Colombo, and it is hoped that other similar local bodies will shortly follow suit.

9. The recommendations of the Elementary Education Commission of 1905 have been embodied in an Ordinance "to make provision in Rural and Planting Districts for the Education of Children in the Vernacular Language," which provides for the appointment of District School Committees to prepare schemes for the establishment of Vernacular schools for the school divisions into which the Island is to be divided, to carry them out, when approved through the Village Committees, and to pass by-laws regarding attendance, course of instruction, &c. It is also provided that no religious instruction shall be imparted to or in the presence of children attending such schools if their parents object thereto.

### (C.) ENGLISH SCHOOLS.

10. In 1906 there were 226 English and Anglo-Vernacular schools attended by 33,300 pupils, of whom 27,067 were boys and 6,233 were girls. As compared with 1905, these figures show an increase of 5 schools and 1,329 pupils. In the majority of these schools the work is confined to the schedules of the Educational Code, but there are many in which the upper classes are prepared for the Cambridge Examinations, Senior and Junior, and a few in which the work of the most advanced students reaches a much higher level.

11. The following were the results of the Cambridge Local Examinations, for which 698 candidates presented themselves in 1906, viz., 265 for the Senior and 433 for the Junior:—

	Candidates.		Honours.		Passes.	
	Boys.	Girls.	Boys.	Girls.	Boys.	Girls.
Senior ... ..	230	35	14	4	87	23
Junior ... ..	362	71	16	1	171	35

12. The only Government institution devoted to higher education is the Royal College, at which in 1906 there were 331 pupils, with an average attendance of 292. The pupils in the upper part of the College are prepared for the Cambridge Local Examinations and for the special examination which is held for the English University Scholarship. The staff consists of 19 masters, of whom 5 hold English University degrees. The gross cost to Government in 1906 was Rs. 46,355·78, of which a sum of Rs. 20,705 was recovered in school fees.

13. The other institutions in which anything that can fairly be described as higher education is given are, with two exceptions, registered as Aided schools under the Code. The two exceptions are (1) the Jaffna College, which is supported entirely by the American Mission, and affiliated as a first grade college to the Calcutta University; and (2) the Church Missionary Society's Ladies' College in Colombo.

14. The encouragement offered by Government takes two forms: (a) grants, (b) scholarships.

(a) In Aided English schools grants for specific subjects as well as for work in the standards are paid on the results of the Government Examination in each school. Liberal grants are also paid for every pupil who obtains honours in the Cambridge Local Examinations or who passes the London University Matriculation Examination or Intermediate Examination in Arts. The total sum expended in grants to English schools was Rs. 144,869·74 in 1906.

(b) Two University Scholarships of £200 per annum for three years are now awarded on the results of the Intermediate Examinations of the University of London—one on the Examination in Arts, the other on the Examination in Science.

One scholarship of Rs. 240 per annum for three years is awarded annually to girls on the results of the Cambridge Senior Local Examination.

On the results of the Cambridge Junior Local Examination one scholarship of Rs. 240 per annum for three years and two of Rs. 120 per annum for two years are awarded annually to

boys, and two scholarships of Rs. 120 per annum for three years are awarded annually to girls.

The total sum expended in scholarships in 1906 was Rs. 16,414·81.

#### (D.) TRAINING OF TEACHERS.

15. In January, 1903, a Government Training College for English teachers was started. For many years previous to this there had been no provision for the training of English teachers either on the part of Government or on the part of managers of aided schools. The new institution is especially intended to meet the wants of the aided English schools, in many of which the teaching has been of a very inferior order. Twelve student-ships of the annual value of Rs. 300 each are provided by Government. Two small vernacular training schools, which were carried on at Colombo and Kandy, are now combined with the new Training College, which thus has a vernacular as well as an English Department. To these were added in 1904 an Anglo-Vernacular class for the training of teachers employed in the Government Anglo-Vernacular schools. An English boys' school and an Anglo-Vernacular boys' school are worked in the same premises, and serve as practising schools for the two Departments. Training schools for vernacular teachers are also carried on by most of the Ceylon Missionary bodies. These receive a liberal grant under the Code for Aided Schools.

#### (E.) TECHNICAL AND INDUSTRIAL EDUCATION; SCHOOL GARDENS.

16. Higher technical education is provided for by the Technical College, a Government institution established in 1893. In 1897 it was re-organised and its work largely extended. It is now the regular channel of admission of Ceylonese for the following Departments of Government: Public Works, Survey, Railway, Post and Telegraph; it contains Departments of Civil Engineering, Electrical Engineering, Telegraphy, Surveying and Levelling. In 1906 the number of students was 104, and the gross cost to Government was Rs. 59,829·28, of which Rs. 3,682·81 was recovered in fees and by the sale of stationery, instruments, &c. New buildings, including extensive laboratories, have been erected.

17. There are no Government Industrial Schools, but industrial education is supported by liberal grants. In 1906 the aided industrial schools, which are 38 in number, received grants amounting to Rs. 53,179·05. The number of pupils was 1,984, and the trades taught were as follows:—Dress-making, 143; carpentry, 229; printing, 104; bookbinding, 144; shoemaking, 24; tailoring, 114; blacksmiths' work, 23; lacemaking, 866; embroidery, 305; gardening, 20; masonry, 12.

18. The most important of these schools is the Maggona Certified Industrial School, which is utilised by Government as a reformatory, and carried on by the Roman Catholic Mission. This institution has an estate of about 300 acres and excellent buildings, to the cost of which Government has contributed. At the end of 1906 the number of juvenile offenders receiving instruction in it was 154; the trades taught were carpentry, ironwork, masonry, bookbinding, and tailoring. An allowance is paid by Government for the maintenance of each juvenile offender; this is not included in the amount specified above as the grants paid for industrial schools. The total cost of the institution to Government in 1906 was Rs. 13,428.68.

19. Good work is also done by some of the other industrial schools, but it is doubtful whether in the case of those which draw their pupils from rural districts real benefit ensues. In Ceylon, where 88 per cent. of the population is rural, the technical and industrial education required for the main part of the population is one which will fit them for rural and agricultural life. An attempt is being made to supply this by the scheme for school gardens, which is being carried on in connection with Government schools. There are now 117 Government schools in which gardens are being carried on under the scheme. The seeds and implements are supplied by the Department, and the gardens are visited as often as possible by the Superintendent of School Gardens and his Assistant. It is hoped that in future this scheme will be considerably extended.

20. Needlework in the girls' schools is a no less important matter, and this has been an extremely weak subject in all schools, Government as well as aided, which have had not the personal supervision of a lady manager. The defective work has been in a great measure due to the want of competent inspection. The Government Inspectress visits as many schools as she can, and marks the work done in examination at all girls' and mixed schools throughout the island.

#### (F.) ESTATE SCHOOLS.

21. As regards Aided Estate schools, the figures continue to show progress; at the end of 1906 there were 90 Aided Estate schools, as against 78 at the end of 1905 and 58 at the end of 1904. The number of Estate schools actually examined for grant was 81, as compared with 66 in 1905.

22. As in the previous year, a form was circulated to collect information from planters. Returns were received from 920 estates, and showed a total number of 6,748 children receiving instruction in schools on the estates, of whom 6,082 were boys and 666 were girls. Besides these, 901 children were returned as attending schools not on the estates. There are 164 estates on which there are what may be called schools held either in

special bungalows or in rooms provided for the purpose by the estate. In 76 cases it was reported that instruction was being given in cooly lines.

23. The whole subject was dealt with exhaustively by the Elementary Education Commission in 1905. The Ordinance already referred to, and now under consideration in the Legislative Council, makes it the duty of the Superintendent of every estate to provide for the vernacular education of the children of his labourers between the age of six and ten, and to keep registers showing the attendance of such children; and in default of satisfactory provision by him, it provides that a suitable school may be erected and a teacher provided by Government at the expense of the estate.

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## V.—GOVERNMENT INSTITUTIONS.

### (A.) HOSPITALS.

During the year 1906, 68 hospitals and asylums were open. In the 35 civil and lying-in home hospitals there were 57,205 cases treated with 6,400 deaths, being 13,152 cases and 2,359 deaths more than in 1905. The daily average sick was 4,443·71. In the seven field hospitals there were 5,771 cases treated with 390 deaths, against 4,738 cases treated with 231 deaths during the previous year. The number treated in the three immigrant hospitals was 1,545 with 100 deaths, against 1,594 cases with 102 deaths in 1905. In the 20 district hospitals 20,467 cases were treated, against 16,469 in 1905. There were 4,315 deaths, against 2,466 in the preceding year.

The opening of land for rubber cultivation in the remoter parts of several Provinces is rendering the provision of fresh hospitals and dispensaries a matter of some urgency.

General Hospital, Colombo.—The total number of patients treated at this institution during the year was 17,115 with 2,044 deaths, against 13,044 cases and 1,234 deaths in the previous year. Of the total treated, 483 remained from the previous year and 16,632 were new admissions, 14,621 were discharged, and there remained 450 under treatment at the end of the year. The daily average sick was 632·31, and the percentage of deaths to total treated was 11·94. The institution consists of 25 wards and eight single rooms. The number of beds is 425.

In the paying section, which consists of 20 wards with 44 beds, the total number of patients treated was 630 with 75 deaths, against 511 cases and 34 deaths in 1905. The percentage of deaths to total treated was 11·9, against 6·7 in 1905.

De Soysa Lying-in Home.—The total number of patients treated at this institution during the year was 933, against

877 in 1905. The daily average sick was 21·35. The percentage of deaths to total treated was 2·14, against 1·48 in 1905.

In the Lying-in Home 30 pupil midwives received training in 1906, of whom 16 obtained certificates after passing a satisfactory examination.

A new scheme to train selected pupils from all Provinces has been adopted, with the hope of introducing European midwifery into the villages. Sixteen pupils were trained and sent out during the year.

Lady Havelock Hospital.—In this institution 933 patients were treated, against 1,030 in 1905; 348 were children. There were 86 operations performed, with four deaths.

Police Hospital, Colombo.—753 patients were treated in the Police Hospital, of whom three died, and 10 remained at the end of the year.

Victoria Memorial Eye Hospital.—507 cases were treated during the year.

Kanatta Infectious Diseases Hospital.—20 cases of infectious diseases remained from the previous year and 622 were admissions, making a total of 642 as against 915 in 1905. Of these, 592 were discharged cured, 25 died, and 25 remained. The death-rate was 5·02 per cent., against 2·73 per cent. in 1905.

Dispensaries.—502 dispensaries, including branch institutions and visiting stations, were in operation. Of these, 313 were civil, 46 district, and 143 estate. In the civil and district dispensaries there were treated 1,434,033 persons who paid 2,108,668 visits, against 1,222,790 persons who paid 1,849,544 visits in 1905.

#### (B.) MEDICAL INSTITUTIONS.

The De Soysa Bacteriological Institute.—The total number of specimens examined bacteriologically during the year was 1,720. Special investigations were made on cerebro-spinal meningitis, diphtheria, and dysentery. Researches were also made on the hæmatozoa of vertebrates in Ceylon by the Director of the Bacteriological Institute (Dr. Castellani) in conjunction with Dr. Willey, D.Sc., F.R.S. The water supply of Colombo is examined bacteriologically once in three months.

Medical College.—The College contains lecture halls, laboratories for chemical physiology, biology, and pathology, dissecting room, offices, photographic rooms, a Museum and Colonial Medical Library, and a separate building for lady students. Professors W. S. Templeton and C. H. Burgess have been appointed Lecturers in Physics and Chemistry. Considerable additions were made to the laboratories. There were 103 medical and 31 apothecary students at the end of the year.

Post-graduate Lectures.—For the fourth year in succession a course of instruction, lasting a fortnight, was held in

Colombo for medical officers at outstations to familiarise themselves with the most recent advances made in medicine, surgery, and bacteriology. Eleven medical officers attended in 1906.

#### (C.) ASYLUMS.

Lunatic Asylum, Colombo.—The total number of patients treated in the asylum during 1906 was 731, against 708 in 1905. The daily average of patients was 553·45, against 560·39 in 1905.

In the House of Observation 172 persons were admitted, which with nine remaining from the previous year gives a total of 181. The accommodation has now been taxed to its utmost, and extension of the buildings is necessary.

The recovery rate was 17·37 per cent. The percentage for males was 17·49 and for females 17·16. The death-rate was 12·58 per cent. of the number treated, due principally to tubercular affections and brain diseases.

There are four houses of observation for suspected lunatics, at Colombo, Kandy, Galle, and Jaffna.

#### (D.) POOR-HOUSES.

There are no workhouses in Ceylon.

2. A hospital for pauper patients of the starved and aged classes and for indigent incurables, with sufficient accommodation for 150 persons, was established at Ragama in the old Boer Prisoners' Camp in May, 1906, chiefly to relieve the congestion in the pauper wards of the General Hospital, Colombo, which were seriously overcrowded.

3. In July a Commission was appointed to report upon the origin and condition of the large population of homeless vagrants infesting the town of Colombo, and to suggest means for their proper custody and control.

4. A census showed there were about 700 vagrants in Colombo, chiefly Tamil estate coolies who had lost their employment. Of these, 459 persons were examined, and 13 were found to be incapacitated or blind, 342 exhibited loathsome sores or disease, 13 were religious beggars, and 91 able-bodied.

5. In compliance with the Commission's suggestion, the Planters' Association have been invited to co-operate with Government as regards the turning off from estates of coolies incapacitated from work.

6. The Commission also favoured the establishment of a house of detention for vagrants, and a Bill dealing with the question is before the Legislative Council.

#### (E.) REFORMATORIES.

As before stated, Maggona Industrial School is used as the Government Reformatory.

**(F.) SAVINGS BANKS.**

There are two Government institutions, and the business of both showed a satisfactory increase in 1906:—

(1) The Ceylon Savings Bank had a sum of Rs. 4,448,117 to the credit of 33,175 depositors on the 31st December, 1906, as against Rs. 4,239,805 to the credit of 32,344 depositors on the corresponding date of 1905. The amount of the Bank's invested funds was Rs. 4,765,024. Interest is allowed on deposits at the rates of 3 and 4 per cent.

(2) The progress of the Post Office Savings Bank was also well maintained. Depositors' accounts increased by 3,099 and deposits by Rs. 116,652, the figures at the end of the year being Rs. 1,897,822 to the credit of 66,949 depositors. Business is done at 158 offices, and the rate of interest is 2'40 per cent.

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**VI.—JUDICIAL.**
**(A.) POLICE.**

The authorised strength of the Police Force on the 31st December, 1906, was 1 Inspector-General, 6 superintendents, 11 assistant superintendents, 20 inspectors, 22 sergeant-majors, 16 European sergeants, 18 European constables, 54 station house officers, 219 native sergeants, and 1,742 native constables. Seven members of the Civil Service are now seconded for duty with the police.

2. The total cost of the police for the year 1906 was Rs. 1,050,787, as against Rs. 823,227 in 1905.

3. During the year 662 recruits were enlisted, but as usual the demand was greater than the supply. On the 31st December the force was 25 short of the sanctioned strength.

4. In connection with a strike of carters in Colombo serious allegations of oppression and corruption were made against the police. A small Commission, appointed to inquire into the matter, reported at the end of October that the lower ranks of the police did systematically, though indirectly, receive illegal gratifications. The Commissioners were of opinion that additional supervision more efficiently applied would check the evil of extortion to a great extent, also that the tone of the force would be improved if all its members were compelled to live in barracks. They also advocated the importation of a few Sikhs as an experiment for such duties as regulating the traffic. The recommendations of the Commission are receiving consideration. Meanwhile, the Governor being of opinion that Colombo requires the strengthening of the police force by a proportion of European sergeants and constables, application

has been made for authority to employ an increased number of 34 English head constables and sergeants, and 50 constables.

A more careful system of recruiting has been recently adopted, which, it is hoped, will gradually improve the force.

5. It was found necessary during the year to establish forces of punitive police at Kirinde in the Southern Province, at Nungomuwa and Delgoda in the Western Province, and at Mirusuvil in the Northern Province.

6. By the end of the year regular police charged with the investigation and repression of serious crime in the villages, which had before been solely dealt with by the headmen, were established in the Western (24 stations) and Southern (24 stations) Provinces and in the Kurunegala District of the North-Western Province (10 stations). They have not been working long enough for a decided opinion to be formed as to the value of the experiment, but the results in the most criminal parts of the Southern Province, where they have been longest established, are reported to be most favourable.

7. Extended use of the Bertillon system of identification was made during the year, and measures were taken for the extension of the finger-print system.

### (B.) CRIME STATISTICS.

#### I.—From Returns furnished by the Inspector-General of Police.

There were 17,621 true cases of cognisable offences committed in 1906, *i.e.*, cases in which the magistrate believed offences had in fact been committed, with 11,224 convictions or commitments to higher courts, as against 16,831 true cases with 11,036 convictions or commitments in 1905, or an increase of 790 cases. The true cases and results for the last five years have been:—

Year.			True Cases.	Convictions or Committals.
1902	...	...	17,374	12,229
1903	...	...	16,769	11,492
1904	...	...	19,027	13,063
1905	...	...	16,831	11,036
1906	...	...	17,621	11,224

2. Of the 17,621 cases in 1906, 12,283 were under "Other Offences," in which are included all statutory offences, breaches of municipal and other bylaws, and minor offences, and 5,338 cases for offences which may be regarded as serious crime.

3. The following table shows the fluctuation in the number of cases of serious crime for the past five years:—

—	1902.	1903.	1904.	1905.	1906.
Murder and homicide ...	146	134	144	170	186
Rape ... ..	22	31	20	23	30
Robbery ... ..	326	294	280	330	382
Burglary ... ..	1,433	1,481	1,716	1,869	2,107
Grievous hurt ... ..	447	436	408	448	481
Theft of cattle and prædial products.	1,185	1,215	1,377	1,623	1,915
Arson ... ..	156	206	190	230	229
Riot ... ..	16	21	8	4	8

4. In 1906, 235 cases were sent to the District Court and 12 cases to the Supreme Court under the Habitual Criminals Ordinance, showing an increase of 37 cases in the District Court and a decrease of seven in the Supreme Court as compared with 1905.

5. Of the 186 cases of murder and homicide, 156 cases were committed for trial, of which 154 were sent to the Supreme Court. In 102 cases the accused were convicted.

6. Out of 2,346 cases instituted under section 368 of the Ceylon Penal Code (theft of cattle), 390 were found to be false, and in 414 cases the committal of an offence was not established. Convictions were obtained in only 410 cases out of 1,705 pronounced to be true cases of theft of cattle and prædial produce.

7. As regards minor offences, convictions were obtained in 9,658 out of 12,283 cases. 131 cases were instituted for breach of quarantine regulations (for prevention of plague); there were 106 convictions. 504 cases were instituted for cruelty to animals, and in 501 cases convictions were secured.

## II.—From Returns furnished by the Solicitor-General.

The number of cases instituted in the Police Courts and Municipal Magistrates' Courts in 1906 was 87,828. There were 1,122 cases of offences against the person less than the annual average for the period 1901-5; 3,503 cases of offences against property, exclusive of cattle stealing, more than the average for the same period; and 897 cases of cattle stealing above that average.

2. The proportion of persons tried by Police Courts per 100,000 inhabitants was 2,315.

3. The number of cases sent up for trial before the superior Courts in 1906 was 1,555, viz., 332 before the Supreme Court and 1,223 before the District Courts. Of the 332 cases before the Supreme Court, 6 were withdrawn and 26 were pending at the end of the year. Of the remaining 300, 226 ended in the

conviction of one or more of the accused, and 74 in the acquittal of all the accused. The 332 cases included 154 in which the accused were charged with murder. Of these, 1 was withdrawn and 10 were pending at the end of the year. Of the remaining 143 cases, 113 resulted in the conviction of one or more of the accused (49 on the capital charge and 64 of lesser offences), and 30 in the acquittal of all the accused.

4. Altogether 2,497 persons were committed for trial before the superior Courts. Of these, 62 were awaiting trial at the end of the year. Of the remaining 2,435, 1,343 were convicted and 1,092 were acquitted or discharged.

5. In the superior Courts, in cases in which the accused were indicted for murder, there were 144 convictions of individuals (61 of murder and 83 of lesser offences) to 53 acquittals; in cases for offences against the person there were 526 convictions of individuals to 270 acquittals, and in those for offences against property 526 convictions to 519 acquittals.

6. In the Gansabhawas or Village Tribunals, 33,392 civil and 54,674 criminal cases were disposed of during the year. In 139 civil and 165 criminal cases the Presidents' judgments were set aside by the Government Agent, and 11 civil and 8 criminal cases judgments were set aside on final appeal by the Governor in Executive Council.

#### (C.) PRISONS.

There was an increase of 937 prisoners in the total number of admissions of convicted prisoners to the prisons in Ceylon during the year, excluding Road Ordinance defaulters, of whom there were 575 in 1906, as against 353 in 1905. The figures for the last five years are as follows:—

Year.				Number.
1902 ...	...	...	...	6,369
1903 ...	...	...	...	6,905
1904 ...	...	...	...	6,805
1905 ...	...	...	...	7,376
1906 ...	...	...	...	8,313

2. Of the total admissions of convicted prisoners to prisons, the following figures give those from the superior Courts (Supreme and District Courts):—

Year.				Number.
1902 ...	...	...	...	879
1903 ...	...	...	...	923
1904 ...	...	...	...	840
1905 ...	...	...	...	1,054
1906 ...	...	...	...	1,135

There was, therefore, an increase of 81, as compared with 1905, in the number of persons convicted of more serious offences.

3. There was also an increase in convictions for murder and manslaughter of 11. The numbers for the last five years are as follows:—

Year.			Number.
1902 ...	...	...	81
1903 ...	...	...	70
1904 ...	...	...	90
1905 ...	...	...	116
1906 ...	...	...	127

4. The following table shows the number of men sentenced to death and the number of capital sentences carried out during the last five years:—

Year.			Sentenced to Death.	Hanged.
1902 ...	...	...	43	30
1903 ...	...	...	36	22
1904 ...	...	...	33	23
1905 ...	...	...	53	26
1906 ...	...	...	54	26

Of the 54 sentenced to be hanged in 1906, 44 were Sinhalese, 9 Tamils, and 1 Bengalee; 23 out of the 54 sentences were confirmed, and the remaining 31 commuted. Four prisoners were hanged during 1906 who were sentenced in 1905, and one prisoner in 1907 who was sentenced in 1906. No prisoner from the Eastern Province was sentenced to death.

5. Two prisoners escaped from jail during the year, one of whom was recaptured.

6. The daily average of convicted prisoners in jail was 2,811, as against 2,521 in 1905. There was a somewhat large increase in the daily average of unconvicted prisoners in the jail as well as in the admissions of such prisoners. The total admissions during the year were 7,630, as against 6,764 in 1905.

7. The total number of deaths in jail was 118, as against 105 in 1905. There was no serious epidemic of any kind. The average daily sick-rate for the year was 134 as against 150 in 1905, a satisfactory decrease.

8. The number of punishments for prison offences inflicted on prisoners decreased from 2,504 in 1905 to 1,971 in 1906. The number of individuals punished also decreased from 2,141

in 1905 to 1,771 in 1906. Corporal punishments decreased from 137 in 1905 to 109 in 1906.

9. There was a decrease in the number of juveniles committed to prison, and an increase in the number of prisoners between 20 and 30. Nearly 50 per cent. of the persons convicted were between 20 and 30.

10. No resident Europeans were convicted in 1906, as against 3 and 3 in 1905 and 1904, respectively. Nine non-resident Europeans were convicted, as against 40 in 1905 and 23 in 1904.

11. The cost of maintaining each prisoner was Rs. 167, as compared with Rs. 180 in 1905.

12. The estimated value of remunerative labour contributed by prisoners was Rs. 262,773.

During the year under review "pingo" carrying, which constituted the labour for penal stage prisoners, that is, during their first three months of imprisonment, was entirely done away with, and husk-beating and stone-breaking, labours much disliked by the prisoners, were substituted. At Jaffna, to which jail habitual criminals are sent, the task for husk-beating was increased from  $3\frac{1}{2}$  to 5 lb. fibre per diem per man.

Industrial labour is being introduced into the larger jails as quickly as possible. In Welikada, coir door rugs, matting, rattan furniture, and boots are made, also the tin, zinc, and other utensils used in all jails. The whole of the clothing of the prisoners of the jails of the Convict Establishment and the officers' uniforms are also made by prisoners, and part of the laundry work of the hospitals is being assigned to them as an experiment. Repairs, alterations, and additions to jail buildings and officers' quarters in Colombo and other jails are performed by prison labour with materials supplied by the Public Works Department.

## VII.—VITAL STATISTICS.

### (A.) POPULATION.

The population enumerated at the Census (1st March, 1901) was 3,565,954, exclusive of the military, the shipping, and the South African prisoners of war. The natural increase by excess of births over deaths from that date to the end of the year 1906 amounted to 223,032, while the number of Indian immigrants exceeded the number of emigrants by 195,999. The population, estimated at the end of 1906, was accordingly 3,984,985, an increase, as compared with the population at the end of 1905, of 34,862 persons, and equal to a rate of '88 per cent.

#### *Birth and Death Rates.*

The births registered during the year numbered 141,847, and were in the proportion of 37·4 per 1,000 persons living.

The registered deaths numbered 136,271, and were equal to a rate of 35·9 per 1,000 of the population. Compared with 1905, the birth-rate shows a decrease of 1·3 per mille and the death-rate an increase of 8·2 per mille. Compared with the average rates for the eight years 1898-1905, the birth-rate shows a decrease of 1·2 per mille and the death-rate an increase of 8·5 per mille.

### (B.) PUBLIC HEALTH.

The public health of the island during the year was not satisfactory, the death-rate being 13·16 against 9·92 in the previous year. Cholera occurred in every Province except the North-Western, the outbreak being most serious in the Province of Uva, where 549 cases occurred with 355 deaths. In all, there were 756 cases and 449 deaths. Small-pox occurred in every Province, excepting the North-Western and North-Central. The total cases were 287, with 69 deaths. The principal causes of deaths were fevers 2,372, diarrhoea and dysentery 4,641, meningitis 55, debility 805, bronchitis 67, pneumonia 668, phthisis 458, anæmia 77, ulcer 241, and old age 97. A serious epidemic of malarial fever began in April after the prolonged drought and lasted until August, and the resources of the hospitals were tried to the utmost. Additional assistance was recruited, and large quantities of quinine and other drugs were distributed free. Arrangements, too, were made for the regular administration of quinine by special distributors to school children, as well as to any villagers who cared to take it as a prophylactic during the bad seasons in the more malarial districts. The total number of cases of malarial fever treated in the various hospitals during the year was 17,252 with 2,206 deaths. A large number of deaths are returned as being due to malarial cachexia, viz., 2,000, out of 5,897 admitted for this disease.

Enteric Fever.—The number of cases treated was 615, with 165 deaths. The death-rate was 26·81 per cent. Of the total cases reported from the various stations, 464 with 128 deaths occurred in the Colombo hospitals, as against 362 with 94 deaths in 1905.

Dysentery.—At the various Government hospitals 4,788 cases of dysentery with 1,649 deaths were treated. The total number treated in 1905 was 2,914, with 805 deaths.

Chicken-pox.—There were 2,677 cases with 1 death, as against 4,426 cases with 1 death in 1905.

Leprosy.—There was a total of 317 cases of leprosy remaining at the Hendala Asylum on 1st January, 1906, and 174 cases were admitted during the year, giving a total of 491 treated during the year. Of these, 107 were discharged and 67 died. At Kalmunai 41 cases were treated, 17 of whom were discharged and 1 death. From the Kalmunai and Batticaloa Districts, Eastern Province, 41 cases were reported.

**Anchylostomiasis.**—The number of cases of this disease treated at the Government hospitals has increased during the year under review by 396. In 1905 the number of admissions was 2,657, in 1906 3,048. Originally this disease was confined to Malabar coolies on estates, who bring the disease from India. It is, therefore, being constantly introduced with the batches of coolies who arrive daily. It is reported by most of the medical officers, doing duty among the natives of the island living on the confines of estates, that the disease is spreading among them. Improved sanitary methods can alone combat this disease. The death-rate from this disease in 1906 to cases of the disease treated was 24·57 per cent.

**Parangi.**—There were 3,958 cases of this disease treated with 41 deaths, being 571 cases and 16 deaths in excess of the numbers for 1905. The disease is more rife where the necessities of life are most difficult to obtain. This disease is worst in the North-Western Province.

**Vaccination.**—During the year 148,965 subjects were vaccinated. 133,196 were primary vaccinations and 15,769 re-vaccinations. Of the former, 118,534 were successful and 13,096 unsuccessful, and in 7,566 subjects the result of the operation was not known, as they failed to present themselves for examination on the appointed days. The percentage of successful cases to total inspected was 89·99. Of the re-vaccinations, 8,396 were successful and 2,501 unsuccessful, and the result was not known in 4,512 cases, as the subjects failed to present themselves for inspection. The percentage of successful cases to total inspected was 77·04.

The following is a comparative statement of the principal diseases for the last five years:—

Year.	Cases.	Deaths.	Year.	Cases.	Deaths.
<i>Cholera.</i>			<i>Dysentery.</i>		
1902	179	116	1902	3,017	999
1903	46	23	1903	2,383	658
1904	7	4	1904	2,111	478
1905	—	—	1905	2,914	805
1906	756	449	1906	4,788	1,649
<i>Smallpox.</i>			<i>Enteric Fever.</i>		
1902	146	35	1902	243	63
1903	29	5	1903	358	71
1904	10	2	1904	341	70
1905	440	122	1905	362	94
1906	287	69	1906	615	165
<i>Chickenpox.</i>			<i>Leprosy.</i>		
1902	2,293	3	1902	483	48
1903	1,862	4	1903	526	92
1904	3,224	1	1904	532	68
1905	4,426	1	1905	632	78
1906	2,677	1	1906	570	73

*Comparative Statement of the Principal Diseases—cont.*

Year.	Cases.	Deaths	Year.	Cases.	Deaths.
<i>Anchylostomiasis.</i>			<i>Parangi—cont.</i>		
1902	... .. 1,609	257	1905	... .. 3,387	25
1903	... .. 1,775	272	1906	... .. 3,958	41
1904	... .. 1,937	286			
1905	... .. 2,810	517	<i>Malarial Fever.</i>		
1906	... .. 3,205	788			
<i>Parangi.</i>			1902	... .. 6,513	115
1902	... .. 3,434	10	1903	... .. 4,766	108
1903	... .. 3,254	10	1904	... .. 5,288	75
1904	... .. 3,501	16	1905	... .. 7,796	129
			1906	... .. 11,159	206

Plague.—The same precautions against the introduction of plague were continued as have been taken for many years past. No case of plague was brought to the island, but two vessels, on which there were suspicious cases of illness, were kept in strict quarantine.

## (C) SANITATION.

The sanitation of large towns is in the hands of municipalities, and in smaller towns in the hands of Boards of Health. The general expense of scavenging, &c., is met from rates recovered locally, and loans are made occasionally to the local bodies for larger works of permanence, such as water supply, construction of drains, the cost of which they are unable to meet in a lump sum.

2. At present in the municipal towns the dry-earth closet system is in operation, the solid matter being collected nightly in carts for disposal at dépôts outside the towns.

3. In the villages sanitation is enforced by the headmen, neglect of it being punished by the Village Committees.

4. As regards Colombo, the Mansergh Drainage Scheme, which provides for a water-carriage system for the sewage of the more densely populated parts of the city, made good progress during the year, a total length of 10½ miles of drains having been completed at a cost of Rs. 1,900,210. The estimate for the extended scheme to cover the area draining into the lake will bring the total cost of the work to Rs. 8,000,000.

5. There was an abnormal amount of sickness in Colombo in the early part of the year, and in April the death-rate rose to 40 per mille. Dr. Chalmers was deputed in June to examine and report upon the sanitary condition of the city, and he sent in an exhaustive report in November showing the thorough sanitation of the town to be a work of the most pressing necessity. His recommendations will receive the earnest attention of the Government and the Municipality.

6. The general sanitary condition of Kandy leaves considerable room for improvement. A drainage scheme has been considered, but the cost is at present prohibitive. The water supply is sufficient and of good quality. The conservancy has been much improved, and several cesspits in crowded parts of the town have been closed.

7. Galle is in a fairly sanitary condition. The water supply, however, is defective, and a new scheme is under consideration.

8. In the Local Board towns the general sanitary condition is fairly satisfactory, though there is still room for improvement in the way of drainage and water supply.

#### (D.) CLIMATE.

There are few countries in the world which enjoy such a variety of climates as Ceylon. In the lowlands the climate is tropical, but in the hills it resembles that of Southern Europe. It is chiefly influenced by the two monsoons—the north-east, which prevails from November to February, and the south-west, which prevails from April to September.

2. The south-western parts are moist and temperate, and the hill regions cool and bracing. Together they constitute the "wet region," a tract with a rainfall of 60 inches or more during the two monsoons.

3. The remainder of the island is the dry region—an almost flat plain with a rainfall of under 60 inches.

4. The following table shows the average rainfall for the last thirty years, the rainfall in 1906, and the mean temperature at some of the chief stations:—

*Rainfall and Temperature, 1906.*

—	Average Rainfall.	Rainfall.		Mean Temperature.
	Inches.	Inches.	Days.	
Ratnapura ...	151·21	135·66	240	78·1°
Galle ...	91·16	104·08	185	79·7°
Nuwara Eliya ...	94·03	94·06	210	60 0°
Hakgala ...	90·97	92·17	168	60·3°
Kurunegala ...	81·65	75·29	156	80·4°
Kandy ...	81·52	75 01	170	76·1°
Jaffna ...	45·80	73 53	66	82·3°
Colombo ...	94 66	71·55	167	81·3°
Trincomalee ...	62·97	71·24	110	81·7°
Diyatalawa ...	62·89	63·60	174	67 6°
Anuradhapura ...	53·79	59·20	114	80·5°
Badulla ...	75·28	56·08	133	73·3°
Batticaloa... ..	59·04	50 19	108	82·1°
Puttalam ...	46·81	47·32	81	80·6°
Mannar ...	37·92	35·62	73	82·6°
Hambantota ...	37·51	27·38	86	80·9°

5. The mean daily range of temperature—*i.e.*, the mean of the daily differences between the maximum and minimum temperatures—was highest at Badulla, having been  $19.1^{\circ}$ , and lowest at Galle  $10^{\circ}$ . The differences recorded at Colombo and Kandy were  $10.7^{\circ}$  and  $14.7^{\circ}$  respectively.

6. The absolute range or difference between the highest and lowest temperature of air recorded during the year was greatest at Kurunegala and lowest at Colombo, having been  $39.8^{\circ}$  and  $24.2^{\circ}$  respectively. The absolute difference at Kandy was  $37.8^{\circ}$ .

7. The hottest station, taking the mean temperature of night and day of all the year round into account, was Mannar,  $82.6^{\circ}$ . The coolest was Nuwara Eliya,  $60^{\circ}$ . Colombo and Kandy were  $81.3^{\circ}$  and  $76.1^{\circ}$  respectively.

8. The drought experienced in 1905 continued for the first three quarters of 1906, and resulted in the failure of crops in parts of the Northern, Eastern, North-Central, and Uva Provinces. Relief work on roads and tanks was given to the distressed villagers, and in some cases advances of seed paddy were made when the rains rendered cultivation possible.

9. Severe rains fell in October, which resulted in landslips and floods. At Hatton  $37.74$  inches fell during the month, of which  $23.65$  inches fell between the 25th and the 28th. Considerable damage was done to the up-country railway line, and also to private properties flooded, especially in the neighbourhood of Colombo.

10. The highest recorded rainfall was at Ratnapura,  $135.66$  inches, which was  $15\frac{1}{2}$  inches below the average; the lowest at Mannar,  $35.62$  inches, or  $2.30$  inches below the average. The rainfall in Colombo was 23 inches below the average, and at Kandy  $6\frac{1}{2}$  inches.

11. The general direction of the wind is from the north-east from November to March and from the south-west from April to October. In Colombo the average force of the wind was 194 miles per diem, in Jaffna and Trincomalee 267 and 235 miles respectively, in Kurunegala only 23 miles, and in Kandy 43.

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### VIII.—POST AND TELEGRAPHS.

Three hundred and ninety-two post offices, of which 158 transacted money order and savings bank business, and 100 are telegraph offices also, were open in 1906. Ten new post offices were opened, and money order business was extended to two and telegraph business to five new offices during the year.

2. The revenue amounted to Rs. 1,249,005, and the expenditure to Rs. 1,455,164. Taking into consideration the value of official services rendered free, estimated at not less than

Rs. 350,000, which is not included in the revenue figures, the Department more than pays its expenses.

3. Of letters, post cards, and printed matter, 29½ million articles passed through the post, being an increase of 2½ millions over 1905. The increase in post cards, which had been the feature of the previous year, dropped from 25 to 12½ per cent.

4. 458,848 parcels of all kinds were dealt with in the post, being an increase of 44,645 over the previous year. The value-payable parcel from India, as in former years, shows the greatest proportional increase, and received an impetus from the trading by Indian shopkeepers on the coupon "Snowball" system. 82,435 inland and 69,278 Indian value-payable parcels passed through the post, and the sum of Rs. 851,055 was collected from the addressees, Rs. 364,157 being transmitted to senders in India, and the remainder, viz., Rs. 486,904, to senders in Ceylon.

5. 448,216 money orders to the value of 12½ million rupees were issued and paid during the year. Of this sum, inland business accounted for 7 millions and Indian to 4 millions nearly. The amount sent to India from Ceylon was Rs. 3,935,739. On the other hand, the sum received from the Straits Settlements and the Federated Malay States was Rs. 523,096, or double the amount in the year 1904.

6. The facilities of the British postal order system introduced in the previous year are being rapidly appreciated, no less than 6,727 orders of the value of £3,943 4s. 6d. having been sold at post offices in Ceylon in 1906.

7. Telegrams increased by 41,997, and reached a total of over three-quarters of a million. Foreign telegrams (other than those sent to India), the charge on which was reduced to 2s. per word in 1905, increased over 10 per cent.

There are 3,470 miles of telegraph wire connecting 100 postal-telegraph offices and 106 railway stations.

8. The only public telephone exchanges are in Colombo, where there are two, with a total of 188 subscribers. The calls on the exchange amounted to 448,994. Subscriptions amounted to Rs. 21,070.

An extensive scheme of reconstruction was begun, and rates to the public were reduced.

## IX.—MILITARY EXPENDITURE.

The total expenditure of the year was Rs. 2,868,478, the Colonial contribution for regular troops (9½ per cent. on the revenue so long as that sum does not exceed three-fourths of the cost of the garrison for that year) amounting to Rs. 2,526,240, and the expenditure on volunteers to Rs. 285,987. The balance was for compensation in lieu of exemption from Customs duty and for military buildings.

2. The 2nd Battalion of the Worcestershire Regiment, which arrived in November, 1904, left Ceylon in December, and was replaced by the 75th Carnatic Infantry Regiment.

3. The evacuation of Trincomalee as a military station was continued during the year. The last troops left on 18th June, and the removal of the ordnance stores was completed a month or two later. The buildings are at present in charge of caretakers.

4. The strength of all arms of the Volunteer Force on 31st December, 1906, was 1,927, exclusive of 406 members of the Cadet Battalion of the Ceylon Light Infantry, and of these 1,652 or 86 per cent. were classed as efficient.

5. The following statement shows the strength and efficiency of each of the arms and also the attendance at the Annual Camp of Instruction:—

Corps.	Efficient.	Non-Efficient.	Strength on 31st December, 1906.			Attendance at Camp, 1906.		
			Officers.	Non-Commissioned Officers and Men.	Total.	Officers.	Non-Commissioned Officers and Men.	Total.
Permanent Staff ..	23	1	4	20	24	4	18	22
Artillery .. ..	101	58	8	151	159	4	75	79
Mounted Rifles ..	126	19	8	138	144	4	56	60
Ceylon Light Infantry	963	56	52	970	1,022	34	691	725
Ceylon Volunteer Medical Corps.	4	17	9	12	21	3	4	7
Ceylon Planters' Rifle Corps.	399	124	15	508	523	6	92	98
Band .. ..	31	—	—	34	34	—	34	34
Cadet Battalion, Ceylon Light Infantry.	1,653	275	96	1,831	1,927	55	970	1,025
	—	—	17	389	406	15	317	332
Total .. ..	1,653	275	163	2,220	2,383	70	1,287	1,357

6. The camp was held for the fourth time at Diyatalawa, and lasted from the 5th to 14th July. The attendance, owing to sickness and other causes, was not so large as in 1905, but good work was done.

7. Lieutenant-Colonel L. C. Koe, late Royal Garrison Regiment, was appointed Staff Officer to the Volunteer Force under the decentralization scheme, and assumed duties in June.

8. On the recommendation of the Colonial Defence Committee the designation of the Mounted Infantry was changed to Mounted Rifles in June. The corps is now armed with the new short Lee-Enfield rifle.

9. In the Planters' Rifle Corps a falling off occurred in numbers during the year. This must be partly ascribed to transfers of members to the Mounted Rifle Corps and partly to the fact that the corps was the outcome of a patriotic impulse during the Boer War, and planters are now unable, especially in view of the rubber boom, to make such sacrifice of time as they did when the patriotic feeling was at its height.

10. The strength of the Ceylon Volunteer Medical Corps fell from 67 to 21, chiefly owing to the resignation of 42 Medical Students on account of an imaginary grievance as to the date of an examination interfering with their attendance at camp.

11. The Ceylon Artillery Volunteers have increased by 30. They were inspected at gun drill on 8th October, 1906, by Sir John Owen, K.C.B., President of the War Office Commission on Colonial Defences.

12. The musketry returns for 1906 showed a marked improvement on the musketry efficiency of all corps.

13. The expenditure on Volunteers during 1906 amounted to Rs. 285,987, as against Rs. 244,000 in 1905.

## X.—PUBLIC WORKS.

### (A.) PUBLIC WORKS DEPARTMENT.

The total expenditure of the Public Works Department during the year under review was Rs. 5,258,978 20, classified as follows:—

	Amount.	
	Rs.	c.
Personal Emoluments ... ..	558,897	33
Other Charges ... ..	83,010	42
Public Works Annually Recurrent ... ..	2,582,398	29
Public Works Extraordinary ... ..	1,901,588	67
Works chargeable to Loans, &c. ... ..	133,083	49
Total ... ..	5,258,978	20

2. The following tabular statement shows the expenditure on Public Works Annually Recurrent, Public Works Extraordinary, and those chargeable to loans and other funds for the last ten years:—

Year.	Recurrent.	Extraordinary.	Miscellaneous including Loans.	Total.
	Rs.	Rs.	Rs.	Rs.
1897 ... ..	1,726,669	1,838,650	—	3,565,319
1898 ... ..	1,900,307	1,510,143	369,324	3,779,774
1899 ... ..	2,040,684	1,707,119	1,250,125	4,997,928
1900 ... ..	2,029,279	1,610,261	1,074,665	4,714,205
1901 ... ..	2,112,905	1,348,032	666,028	4,126,965
1902 ... ..	2,163,394	1,448,491	572,143	4,184,028
1903 ... ..	2,240,086	1,339,699	1,275,968	4,855,753
1904 ... ..	2,286,812	1,858,657	619,275	4,764,744
1905 ... ..	2,324,805	1,595,612	370,431	4,290,848
1906 ... ..	2,582,398	1,901,588	133,083	4,617,069

3. The mileage of the roads maintained by the Public Works Department increased by 8·44 miles of new roads and 10·86 miles of roads previously in charge of the District Committees and Local Boards, which were taken over by Government.

The total length maintained by the Public Works Department during the year was 3,784·25 miles, divided as follows:—

	Miles.
Metalled ... ..	2,441·88
Track metalled ... ..	291·69
Gravelled ... ..	701·60
Natural tracks and bridle paths ... ..	349·08
<b>Total ... ..</b>	<b>3,784·25</b>

for the maintenance of which the estimated provision was Rs. 1,972,465.

The introduction of motor cars has considerably extended the use of the roads in the outlying parts of the Island for fast traffic, demanding a higher class of road than that previously required.

4. A sum of Rs. 650,699 was voted in the Estimates of 1906 for new works and buildings, Rs. 254,870 for alterations and additions to buildings, Rs. 238,118 for new roads, Rs. 424,037 for additions and improvements to roads, Rs. 262,978 for work on new bridges, and Rs. 191,480 for repair of bridges.

5. Among the important works under construction by the Public Works Department in 1906 were:—

	Total Estimate.
	Rs.
Supreme Court Buildings, Colombo ... ..	350,000
New Public Works Offices, Colombo... ..	260,000
New Telephone Exchange, Fort, Colombo ... ..	75,000
New Block Paying Wards, General Hospital, Colombo ... ..	50,750
Cattle Quarantine Station, Dematagoda ... ..	28,600
Additions to Neboda Hospital ... ..	40,000
Medical Aid Hospital, Meenagala, Dolosbage ... ..	31,000
Medical Aid Hospital, Dikoya ... ..	137,000
New Jetty, Batticaloa ... ..	38,500
Police Station and Barracks, Batticaloa ... ..	57,500
New Police Station and Barracks, Anuradhapura ... ..	34,900
Hotel, Anuradhapura ... ..	60,000
Improvements, Nagoda-Matugama road ... ..	72,750
Brookside-High Forest road ... ..	113,000
Paranthan-Karachchi road ... ..	241,700
South Coast road extension, Eastern Province ... ..	53,500
Bibile-Medagama-Muppane road ... ..	40,000
Improvements, Customs road, Colombo ... ..	150,000
Improvements, Muppane-Pottuvil road ... ..	115,000
Improvements, Kurunegala-Ga'agedara road ... ..	60,000
Improvements, Kekirawa to Talawa road ... ..	109,200
Peradeniya new bridge... ..	160,000
Ambalantota new bridge ... ..	66,795
Matara new bridge ... ..	76,883
Bandarawela water supply ... ..	60,000

The new Peradeniya bridge was completed and opened by the Governor in September.

5. The question of linking up existing roads, so as to connect districts now separated, is receiving the attention of the Government, the heavy weather which occurred at the end of October with its attendant floods and landslips having demonstrated the importance of such connections.

### (B.) COLOMBO HARBOUR WORKS.

Satisfactory progress was made with the Colombo Harbour Extension Works. The amount spent during the year was Rs. 955,728·90, bringing the total expenditure on the present works up to Rs. 17,900,989·36, the total expenditure since the commencement of the South-West Breakwater in 1873 being Rs. 36,253,663·58.

#### *New Breakwaters.*

The North-East and North-West Breakwaters were completed at the end of 1906.

#### *Coal Dépôt.*

The Coal Dépôt was completed in December, 1906.

#### *Graving Dock.*

The Graving Dock was completed in October, and the first vessel to enter—the “Monkseaton”—was docked on 31st October.

There still remains the North Guide Pier to be constructed. It is to run parallel to the Dock for a distance of 800 feet into the harbour. It will probably be completed during 1908.

The necessary workshops in connection with the Dock have not yet been put in hand. Tenders have been called for from local firms for the lease of land for the workshops, and are still under consideration.

#### *Wet Dock.*

The idea of excavating a Wet Dock at Mutwal has been abandoned for the present, as there is no certainty of such an increase in the business of the port in the near future as would justify the enormous outlay required, and the existing accommodation is ample for present requirements.

#### *Patent Slip.*

The Patent Slip was used by 37 vessels, and produced a revenue of Rs. 38,044, the expenditure being Rs. 13,817·83.

#### *Dredging.*

The scheme of dredging to give a depth of 30 feet at low water was completed at the end of 1905, and the dredger

"Triton" was disposed of in the latter half of 1906. The "Sir John Coode" has been retained for the purpose of maintenance and for any further dredging that may be decided upon. During the greater part of 1906 she was engaged in clearing the channel forming the entrance to the Dock. The total sum expended on dredging during the year amounted to Rs. 142,190·77.

*New Arm.*

An estimate amounting to Rs. 6,600,000 was sanctioned for extending the South-West Breakwater, so as to protect the northern area from the heavy seas that sweep in during the South-West Monsoon, rendering that portion of the harbour practically useless for the loading and discharge of cargo in heavy weather, and preventing the use of the new coaling jetties at such times.

The plant is being overhauled and renewed, and the concrete blocks for next season's work are being cast. The first block will be set probably in November, 1907, and the work is expected to extend over some six or seven years.

(C.) RAILWAY.

The mileage open at the end of 1906 was 562½ miles. Two new stations were opened during the year, Kotte road and Homagama, on the Kelani Valley section of the line.

2. The receipts for the year amounted to Rs. 10,103,595, being Rs. 412,942 in excess of the preceding year, to which goods traffic contributed about two-thirds, viz., Rs. 241,766. The other increases were Rs. 102,460 on receipts from ordinary passengers, Rs. 9,053 from season tickets, Rs. 27,902 from other coaching traffic, and Rs. 31,760 from miscellaneous receipts.

3. The increases on goods traffic were principally on rice 8,015 tons, plumbago 5,292 tons, manure 3,307 tons, ordinary 3rd class goods (principally imported) 4,171 tons, and ordinary 4th class local products 2,272 tons.

4. Expenditure.—During the last ten years the outlay on new works and additional rolling stock paid for out of revenue has been included as part of the working expenses of the Railway, but it has now been decided that the more correct way of dealing with such expenditure is to add it to the capital cost of the Railway and to exclude it from the working expenses.

5. The actual working expenses for 1906 (excluding expenditure on new works, &c.) were Rs. 5,233,269, as compared with Rs. 4,766,872 in 1905. Of the increase of Rs. 466,397, about one-quarter is in personal emoluments due to the increases granted to the staff under the revised salary scheme. In other charges the enhanced expenditure is partly accounted for by the ordinary requirements of the larger volume of traffic dealt

with, and partly to the heavy additional outlay incurred in connection with the several serious slips and washaways caused by abnormal monsoon rains.

6. The result of the year's working was as follows:—

— —	Amount.
	Rs.
Receipts ... ..	10,103,595
Working expenses ... ..	5,233,269
Profit... ..	4,870,326

Of this profit, the sum of Rs. 842,701 was expended in providing additional accommodation, both station and rolling stock, increased safety appliances, &c.

7. The total capital cost of the Railway, including additional accommodation provided, up to the 31st December, 1906, amounts to Rs. 82,021,563, made up as under:—

— —	Amount.
	Rs.
Cost to 31st December, 1905 ... ..	76,536,062
Expended out of revenue on new works and additional rolling stock from 1897 to 1905 inclusive.	3,895,136
Expended on new works, &c., 1906 ... ..	842,701
Expended from surplus funds on Kadugannawa Incline deviations.	39,763
Expended on Loan Account on station improvements, &c. ...	707,901
Total ... ..	82,021,563

The profit on the capital cost of the Railway, including additional accommodation, to the 31st December, 1906, was therefore 5·94 per cent. The capital outstanding on loans on 1st January, 1906, was Rs. 39,341,626.

8. General Remarks.—The works connected with the deviation on the Kadugannawa Incline were completed, and the second new tunnel was brought into use in August, 1906. The total expenditure on this account during the year was Rs. 39,763.

Good progress was made with the Stations Extension work at Maradana, the total expenditure being Rs. 569,571.

9. The question of increasing the supply of rolling stock for the Railway to a satisfactory level received attention during 1906, and a large addition to the goods stock will be carried out. The new high-capacity wagons, which were obtained from England for coal and firewood traffic, proved so satisfactory that it was decided to order a further supply in 1907.

These wagons carry a high tonnage with a comparatively low tare.

A scheme for considerable additions to the passenger stock in the course of the next two or three years was sanctioned, whilst steps were taken to replace certain old and obsolete engines by new ones of a modern and powerful type.

It is anticipated that in future bogies and under-frames for carriages will be constructed in the Railway workshops, thus not only saving money, but avoiding the serious delays that have taken place in obtaining these materials from home.

10. Two serious accidents resulted from the heavy north-east monsoon rains, one on 27th October, 1906, near Hatton, where a subsidence of the line derailed and capsized the engine and three bogie coaches of a down train, killing 11 and injuring 13.

The other occurred between Killinochchi and Mankulam on the Northern Line on 13th November, 1906, where a washaway caused derailment of the up through train from Colombo, telescoping a first class compartment and causing injury to eight persons, two of whom have since died.

11. Great difficulty was experienced in working the traffic owing to several other serious slips, one at Wangi-oya, between Nanu-oya and Watagoda, causing a lot of trouble and necessitating the partial closing of the line for several days. As a result of a thorough inspection of the line after the slips, it was found necessary to sanction estimates amounting to Rs. 344,490 for culverts and other improvements on the Up-country Line and Rs. 107,800 on the Northern Line.

#### RAILWAY EXTENSION.

Four projects for railway extension received attention during the year:—

(1) The construction of a branch line from Ragama to Negombo, at an estimated cost of Rs. 1,500,000, was sanctioned on general considerations towards the end of the year; the cost to be met from the surplus balances of the Colony.

(2) An extension of the Kelani Valley Line from Avisawella to Ratnapura, estimated to cost Rs. 2,800,000, was pressed forward by the planting community and recommended to the Secretary of State by the local Government, as no doubts were entertained of its financial success. The Secretary of State, however, objected to increasing the burden of the Colony's debt, and the matter is still under correspondence.

(3) Another extension desired by the local planting community was that from Bandarawela to Passara. After a flying survey Mr. Oliver made a rough estimate of the cost of a line on the Kelani Valley type at Rs. 6,000,000. A detailed engineering survey has been approved, and the question

whether the line will pay to make will be decided when the estimate is received.

(4) The suggestion that a branch line should be constructed at a roughly estimated cost of Rs. 2,800,000 from the Northern Line to Mannar to establish through connection with India by means of a steam ferry to Paumben, to which the South Indian Railway is to be extended, was favourably received locally, and the matter is under correspondence with the Secretary of State.

#### (D.) IRRIGATION.

The following statement shows the amount expended on the construction of new works and the maintenance of existing works in each of the last ten years:—

Year.		Construction.		Maintenance.	
		Rs.	c.	Rs.	c.
1897	...	178,810	77	62,940	72
1898	...	189,989	10	63,802	47
1899	...	213,606	90	69,881	58
1900	...	297,375	30	74,556	16
1901	...	487,768	12	72,912	43
1902	...	483,102	71	76,806	10
1903	...	494,364	11	82,699	3
1904	...	668,377	56	88,081	10
1905	...	612,129	0	89,464	35
1906	...	481,629	73	83,372	36
Total	...	4,107,153	30	764,516	30

2. The expenditure on construction in 1906 was mostly on the following works:—

	Total Estimate.
	Rs.
The Karachchi Scheme, Northern Province ... ..	1,105,714
The Unichchai Scheme, Eastern Province ... ..	684,677
The Pattipolai-arū Scheme, Eastern Province... ..	429,436
The Nachchaduwa Scheme, North-Central Province...	456,735

3. A sum of Rs. 70,000 was also provided on account of the Kirinde-oya scheme (Southern Province), Rs. 30,000 for the Allai supply channel (Eastern Province), Rs. 40,000 for the Nuwarawewa scheme (North-Central Province).

4. Over 2,000 acres of new land were opened for irrigation in 1906, of which over 1,400 were in the North-Central Province.

5. The policy which the Governor has adopted for the past two years is that of completing by the construction of main

channels of distribution all works under restoration before entering upon new works. There are ten large works being now so dealt with.

6. Ordinance No. 16 of 1906 was passed during the year consolidating the three existing Irrigation Ordinances. It abolished the system under which the administration of the funds devoted to irrigation was vested in a Central Irrigation Board, and provided for a revised procedure with regard to the construction and maintenance of irrigation works.

## XI.—GENERAL

### PUBLIC SERVICE.

The year under review is the third year of the Administration of Sir Henry Arthur Blake, G.C.M.G.

2. The Colonial Service sustained heavy losses by death during the year. The Lieutenant-Governor, Sir Alexander Ashmore, K.C.M.G., died on 7th December after an operation for appendicitis; Mr. Herbert Wace, C.M.G., Acting Colonial Secretary, on 28th May; and Mr. G. J. A. Skeen, the Government Printer, after thirty-seven years' service, on 10th July.

3. During the absence of Sir Alexander Ashmore on leave between April and August the Hon. Mr. H. Wace, C.M.G., acted as Colonial Secretary until his death, and thereafter the Hon. Mr. H. L. Crawford, who received the honour of a Companionship of the Order of Saint Michael and Saint George in June. Since the death of Sir Alexander Ashmore the Hon. Mr. G. M. Fowler, C.M.G., has been acting as Colonial Secretary.

4. The Chief Justice, Sir C. P. Layard, retired in March, and was succeeded by Sir J. T. Hutchinson in October, the Attorney-General, the Hon. Mr. A. G. Lascelles, K.C., having acted as Chief Justice in the meanwhile.

5. Mr. F. R. Ellis, C.M.G., Auditor-General; Mr. H. L. Moysey, I.S.O., Postmaster-General; Mr. P. Ramanathan, K.C., C.M.G., Solicitor-General; Mr. J. H. de Saram, C.M.G., District Judge, Kandy; and Mr. Eardley Wilmot, retired from the Service during the year.

6. Mr. W. S. Christoffelsz, Councils Clerk of the Secretariat, was appointed a Member of the Imperial Service Order in recognition of his forty years' meritorious service.

### MISCELLANEOUS.

7. Ceylon received the honour of a short visit from His Royal Highness Prince Arthur of Connaught in January on his way to Japan. His Royal Highness paid a flying visit to Kandy,

and was received with their usual loyalty by the Kandyan Chiefs.

8. Her Highness Princess Louise Augusta of Schleswig-Holstein again made a prolonged visit to the Island, and during her stay laid the foundation stone of a hospital to be built by private beneficence at Moratuwa. Her Highness also presented new equipment and fittings for the maternity ward opened in the Kandy Hospital by Her Highness in February last.

9. The insanitary condition of the Colombo lake continued to occupy attention. The Committee appointed to consider alternative schemes in regard to it reported that the most satisfactory means of dealing with it would be to fill it in and provide canals for boat traffic to the Harbour. The cost was estimated at Rs. 3,816,000, and they anticipated that returns would probably be sufficient to pay  $3\frac{1}{2}$  per cent. upon this amount.

Further inquiries have been pursued as to the possibility of flushing out the lake occasionally, and it is hoped that with the extension of the Drainage Works to include the area at present draining into the lake and with improved dredging it may be possible to retain the lake in a fairly pure condition. It is considered that to fill it in would prejudicially affect the crowded Pettah, to which the sea breezes across the lake have at present free access, and would also destroy one of the beauties of Colombo.

10. The question of floods prevention, especially in the neighbourhood of Colombo, was again brought into prominence by the floods consequent on the abnormal rains in October, and a Committee was appointed in December to consider whether the benefit to be anticipated from the completion of any of the works recommended in the past, but not pursued owing to the largeness of the expenditure involved, would be such as to justify the cost or a proportion of it being met from public funds, especially in view of the fact that a large part of the area affected is within Municipal Council limits.

11. A strike of the carters of Colombo, as a protest against an obnoxious Municipal by-law prohibiting them from sitting on the poles of their carts when driving, occurred in August, and lasted from the 11th to the 16th, causing considerable dislocation in trade.

12. A fire occurred at the premises of the Asiatic Petroleum Company adjoining the Harbour at Colombo on 5th September, and 408,100 gallons of oil were consumed. Fortunately, the tank having been well constructed, no oil escaped from it, and the only damage caused in the neighbourhood was by the heat. A similar tank containing liquid fuel situated within 25 feet of it was saved by the Fire Brigade, which pumped a continuous stream of water upon it,

## CONDITION OF THE PEOPLE.

13. No very marked improvement is noticeable in the social or moral condition of the people, and the spread of education has as yet had little perceptible result either in raising the moral tone or in decreasing crime.

14. The following is an extract from a report by the Government Agent of the Northern Province, with which railway communication was opened in 1905. The inhabitants are Tamils:—

“There are 406 schools in the Jaffna District. One of the chief results of the spread of education is that the better educated classes are leaving the country for the town. An educated man no longer lives upon or cultivates his land: he either leases it or works it with hired labour, while he himself enters Government service or becomes a clerk in a mercantile firm. It is part of the same tendency which causes many to leave the Jaffna District for posts in Colombo, on tea estates, and in the Straits Settlements. The spread of education among all classes has considerably modified society, for caste and family are no longer the only factors in social position and influence. In effect the Jaffna District is at present in a transition stage, the old system of society and manners has almost disappeared, while education has not yet produced anything which can be said to have taken its place.”

15. The following extract from a report of the Assistant Government Agent of Matara regarding the low-country Sinhalese is also typical:—

“The general condition of the district is fairly good, but the majority of the people are quite without capital or continuous occupation. The actual margin between their normal condition and want is exceedingly small, but an indulgent climate and a habit of meeting small necessities by borrowing from neighbours prevents this margin from being transgressed.

“The social condition of the people is transitional and somewhat hybrid. The well-to-do tend towards the civilization of the West, to which however they never entirely assimilate themselves; the poor are probably but little changed socially from what they were a generation ago. There is perhaps a certain loss of primitiveness unaccompanied by any very valuable development in other respects.

“Morally the people excel in the softer virtues, but are deficient in those hardier and sterner qualities which form the foundations of Western societies.”

F. J. SMITH,

Assistant Colonial Secretary.

Colombo, May 10th, 1907.

## COLONIAL REPORTS.

The following recent reports relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

### ANNUAL.

No.	Colony, &c.	Year.
495	Turks and Caicos Islands ... ..	1905
496	Bahamas ... ..	1905-1906
497	Barbados ... ..	"
498	Malta ... ..	1905
499	British Central Africa Protectorate ... ..	1905-1906
500	Colonial Survey Committee ... ..	"
501	Grenada ... ..	1905
502	Straits Settlements ... ..	"
503	Gibraltar ... ..	"
504	Trinidad and Tobago ... ..	1905-1906
505	St. Lucia ... ..	1905
506	Mauritius ... ..	"
507	Southern Nigeria (Lagos) ... ..	"
508	Somaliland ... ..	1905-1906
509	Fiji ... ..	1905
510	St. Vincent ... ..	1905-1906
511	Sierra Leone ... ..	1905
512	Southern Nigeria ... ..	"
513	Basutoland ... ..	1905-1906
514	British Guiana ... ..	"
515	British Honduras ... ..	1905
516	Northern Nigeria ... ..	1905-1906
517	Bechuanaland Protectorate ... ..	"
518	Leeward Islands ... ..	"
519	East Africa Protectorate ... ..	"
520	Seychelles ... ..	1906
521	Hong Kong ... ..	"
522	Falkland Islands ... ..	"
523	Ashanti ... ..	"
524	Jamaica ... ..	1905-1906
525	Uganda ... ..	"
526	St. Helena ... ..	1906

### MISCELLANEOUS.

No.	Colony.	Subject.
32	Northern Nigeria ... ..	Mineral Survey.
33	Southern Nigeria ... ..	Do.
34	Montserrat ... ..	Agricultural Industry.
35	Antigua and St. Kitts-Nevis ... ..	Sugar.
36	West Indies ... ..	Work of Imperial Department of Agriculture.
37	Ceylon ... ..	Mineral Survey, 1904-5.
38	St. Helena ... ..	Agriculture.
39	Jamaica ... ..	Cayman Islands.
40	Northern Nigeria ... ..	Taxation of Natives.
41	East Africa Protectorate ... ..	Report on Kenia Forests.





# COLONIAL REPORTS—ANNUAL.

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No. 561.

## CEYLON.

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### REPORT FOR 1907.

(For Report for 1906, *see* No. 527.)

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Presented to both Houses of Parliament by Command of His Majesty  
*June, 1908.*

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No. 561.

CEYLON.

(For Report for 1906, *see* No. 527.)

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THE GOVERNOR to THE SECRETARY OF STATE.

The Queen's Cottage, Nuwara Eliya,  
Ceylon, 25th April, 1908.

MY LORD,

I HAVE the honour to enclose, for Your Lordship's information, the usual report on the Ceylon Blue Book of 1907, prepared by the Second Assistant Colonial Secretary.

I have, &c.,

HENRY McCALLUM,  
Governor, &c.

The Right Honourable,  
The Earl of Elgin and Kincardine,  
K.G., G.C.S.I., G.C.I.E.,  
&c., &c.

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## REPORT ON THE CEYLON BLUE BOOK OF 1907.

## I.—FINANCIAL.

## (A.) GENERAL REVENUE AND EXPENDITURE.

*Revenue.*

The revenue in 1907 amounted to Rs. 36,573,825, which was Rs. 2,737,825 more than the estimate, Rs. 1,543,164 more than the revenue of 1906, and Rs. 3,982,303 more than the expenditure.

2. The following table shows the rapid growth of the Ceylon revenue during the last five years:—

Year.			Revenue.	Expenditure.	Excess of Revenue as compared with previous year.	Surplus of Revenue over Expenditure.
			Rs.	Rs.	Rs.	Rs.
1903	...	...	29,423,308	26,714,828	988,150	2,708,480
1904	...	...	30,846,694	32,019,393	1,423,386	1,172,699*
1905	...	...	34,395,336	29,736,899	3,548,642	4,658,437
1906	...	...	35,030,661	32,644,215	635,325	2,386,446
1907	...	...	36,573,825	32,591,522	1,543,164	3,982,303

\* Deficit.

3. It is worthy of note that the high figure at which the revenue stood in 1907 was not due to any windfall such as the pearl fishery which swelled the revenue of 1905 by Rs. 2,600,000, while the revenue from land sales was Rs. 700,000 less than in 1906, the year of the "rubber boom." The figure for 1907 therefore represents the present revenue-producing capacity of the Island during a year of general prosperity somewhat more fairly than the figures of the previous two years.

4. The surplus fund of the Colony on December 31st, 1907, amounted to nearly Rs. 16,000,000. The greater part of this sum has, however, been advanced to meet expenditure on certain large public works which are really chargeable to the loan account of the Colony, *e.g.*, Harbour Works, completion of the 1899 Railway Extension programme, Colombo Railway Extensions scheme, duplication of Colombo water main, and Irrigation. Some Rs. 3,000,000 has also been spent on behalf

of the Colombo Municipality on the Colombo Drainage Works. The succession of large surpluses has thus fortunately obviated the necessity of the Colony borrowing while the money market was in an unsettled state. When the next loan is raised these advances will be set free, and with the sanction of the Secretary of State it is proposed then to devote a large portion of this surplus to certain public works, which, though urgently required, are not of that directly remunerative character which would justify their being constructed out of borrowed money.

5. The following is a comparative statement showing the actual revenue collected in 1906 and 1907:—

	Revenue of 1906.	Revenue of 1907.	Nett Increase.	Nett Decrease.
	Ra. c.	Ra. c.	Ra. c.	Ra. c.
1. Customs .. .. .	8,358,542 10	9,189,923 57	831,380 47	—
2. Port, Harbour, Wharf, and Light- house Dues.	2,086,793 30	2,135,632 39	48,839 9	—
3. Licences, Excise, and Internal Revenue not otherwise classified.	7,902,012 98	7,969,763 73	357,750 77	—
4. Fees of Court or Office, Payment for Specific Services, and Reimburse- ments in aid.	1,421,061 69	1,543,287 83	122,226 14	—
5. Post and Telegraphs .. .. .	1,237,790 91	1,341,193 92	103,403 1	—
6. Government Railway .. .. .	10,082,928 31	10,741,008 19	648,079 88	—
7. Rent of Government Property ..	—	—	—	—
8. Interest .. .. .	590,737 87	731,501 30	150,763 43	—
9. Miscellaneous Receipts .. .. .	440,019 35	531,012 63	90,993 28	—
10. Sale of Government Property ..	—	—	—	—
11. Land Revenue (exclusive of Land Sales)	594,288 48	496,431 6	—	107,857 42
12. Land Sales.. .. .	2,616,465 95	1,914,071 27	—	702,414 68
Total .. .. .	35,030,660 92	36,573,824 89	1,543,163 07	—

6. It will be noticed that there was a consistent advance under every head except Land Revenue and Land Sales. The revenue from the latter source was, however, Rs. 574,000 over the estimate, the demand for land in 1906 being exceptional.

### *Expenditure.*

7. The ordinary expenditure of 1907 amounted to Rs. 32,591,522, or Rs. 1,782,767 less than the estimated expenditure and Rs. 52,693 less than the actual expenditure of 1906.

8. The savings on the estimate were chiefly under Military Expenditure (Rs. 970,000), due to the substitution of a native for a European regiment, and Public Works Extraordinary (Rs. 600,000). The staff of the Public Works Department has not been increased for many years, and its present spending power is evidently not capable of much further expansion without special and temporary arrangements.

9. The following is a comparative statement of expenditure for 1906 and 1907:—

Heads of Service.	1906.		1907.		Increase.	Decrease.
	Rs.	c.	Rs.	c.	Rs.	c.
1. Public Debt .. .. .	3,645,732	25	3,661,063	5	3,530	80
2. Military Expenditure .. .. .	2,968,478	40	1,601,310	41	—	1,267,167 99
3. Pensions .. .. .	1,412,571	81	1,482,652	47	80,080	56
4. Ecclesiastical .. .. .	9,309	66	8,369	71	—	939 85
5. Exchange .. .. .	143,267	58	81,638	74	—	61,628 84
6. His Excellency the Governor .. .. .	134,217	9	178,773	46	45,555	37
7. Civil Service .. .. .	800,655	79	813,966	8	13,330	29
8. Secretariat .. .. .	347,531	74	324,018	95	—	23,513 39
8a. Controller of Revenue .. .. .	—	—	5,781	45	5,781	45
9. Audit Office .. .. .	62,655	63	69,062	91	6,407	28
10. Treasury .. .. .	78,094	55	84,077	49	5,983	94
11. Provincial Administration .. .. .	1,021,052	64	1,015,782	86	—	5,269 78
12. Settlement Officer under Waste Lands Ordinance .. .. .	104,837	8	96,887	2	—	7,950 6
13. Survey Department .. .. .	825,201	52	902,376	66	77,175	14
14. Government Stores .. .. .	90,425	42	71,717	28	—	18,708 16
15. Immigration .. .. .	52,937	5	79,494	84	26,557	79
16. Quarantine .. .. .	38,878	11	31,941	74	—	6,936 37
17. Customs .. .. .	180,147	20	153,593	45	—	26,554 75
18. Post Office and Telegraphs .. .. .	1,455,164	54	1,521,502	89	66,338	35
19. Forest Department .. .. .	276,524	15	280,899	81	4,375	16
20. Railway Department .. .. .	5,102,378	37	5,374,562	23	272,183	86
21. Port and Marine, Colombo .. .. .	388,874	8	479,501	48	90,627	40
22. Port and Marine other than Colombo .. .. .	43,246	2	38,557	62	—	4,688 40
23. Legal Departments—						
Supreme Court .. .. .	164,506	52	180,702	96	16,194	44
Attorney-General .. .. .	74,649	86	80,598	77	5,948	91
Solicitor-General .. .. .	13,924	63	15,639	13	—	285 50
District Courts .. .. .	180,906	36	179,629	12	—	1,277 24
Courts of Requests and Police Courts .. .. .	158,183	11	159,832	27	1,649	16
Registration of Lands .. .. .	108,956	87	113,576	51	4,619	64
Registration of Marriages, Births, and Deaths .. .. .	135,561	75	128,134	1	—	7,427 74
Fiscals .. .. .	261,417	53	285,150	44	23,732	91
24. Police Department .. .. .	963,046	14	1,066,758	57	73,712	43
25. Prisons Department .. .. .	540,500	8	590,272	54	49,772	46
26. Medical Department .. .. .	2,018,468	10	2,186,899	43	168,431	33
27. Education .. .. .	1,071,309	5	1,297,359	23	226,050	18
28. Botanic Gardens .. .. .	131,513	2	128,068	11	—	3,444 91
29. Colombo Museum .. .. .	28,187	70	36,574	92	8,387	22
30. Archaeological Commissioner .. .. .	64,579	48	70,027	20	5,447	72
31. Veterinary Department .. .. .	18,012	73	20,299	57	2,286	84
32. Board of Agriculture .. .. .	30,743	83	30,531	25	—	212 58
33. Mineralogical Survey .. .. .	24,389	10	20,277	68	—	4,111 42
33a. Marine Biological Department .. .. .	5,061	82	—	—	—	5,061 82
34. Inspector of Mines .. .. .	10,385	7	11,733	85	1,338	78
35. Inspector of Factories .. .. .	4,000	0	4,000	0	—	—
36. Miscellaneous Services .. .. .	777,450	39	629,028	6	—	148,422 33
37. Public Works Department .. .. .	563,882	96	600,563	12	36,680	16
38. Irrigation Department .. .. .	277,983	52	304,793	3	26,799	51
39. Consulting Electrical Engineer .. .. .	14,190	37	8,998	14	—	5,222 23
40. Public Works Annually Recurrent .. .. .	2,325,802	27	2,398,945	69	73,143	42
41. Irrigation Annually Recurrent .. .. .	164,288	57	181,763	56	17,474	99
42. Public Works Extraordinary .. .. .	1,913,542	62	2,008,381	0	94,838	38
43. Irrigation Extraordinary .. .. .	166,171	87	155,209	10	—	40,962 77
44. Railway Department New Construction .. .. .	964,034	52	1,367,634	45	393,599	93
Increase of Salaries .. .. .	353,782	66	—	—	—	353,782 66
Total Expenditure chargeable to General Revenue .. .. .	32,644,214	88	32,591,521	79	1,920,764	80
45. Public Works Extraordinary charged to Revenue, pending raising of Loan:—						
Duplication of Water Main .. .. .	1,508	3	—	—	—	1,508 3
Harbour Construction .. .. .	944,763	34	1,580,637	23	635,863	89
Railway Construction .. .. .	158,329	91	157,073	44	—	1,256 47
Irrigation Construction .. .. .	196,171	86	155,209	11	—	40,962 75
Station Extensions .. .. .	569,570	98	737,257	92	167,686	94
Passara Railway Survey .. .. .	—	—	47,762	80	—	—
Ratnapura Railway Survey .. .. .	—	—	2,852	27	—	—
Mannar Railway Survey .. .. .	—	—	407	13	—	—
	1,850,339	12	2,661,189	90	854,578	8
Grand Total .. .. .	34,494,554	0	35,252,711	69	2,775,537	38
					2,017,180	14
					768,157	69

Deduct Decrease ..

Nett Increase ..

10. Perhaps the most significant feature in the above statement is the large increase of over 20 per cent. in the expenditure on education. The decrease under Military Expenditure has already been explained. The increase of expenditure on Railway New Construction is due to the fact that the Negombo railway, which was sanctioned at the end of 1906, is being built out of revenue.

(B.) ASSETS AND LIABILITIES.

11.—(i.) The assets of the Colony on December 31st, 1907, were Rs. 22,928,172, and the liabilities Rs. 16,079,870, the assets thus exceeding the liabilities by Rs. 6,848,302. Further, a sum of Rs. 9,121,926 had been advanced from surplus balances for Harbour, Railway, and Irrigation expenditure, which will ultimately be charged to loan.

(ii.) Of the assets, a sum of—

Rs. 10,588,054 was in cash in the hands of the Treasurer, Government Agents, and the Crown Agents;  
Rs. 5,209,160 in investments;  
Rs. 3,015,036 advanced for the Colombo Drainage Works;  
Rs. 1,835,975 in stores;  
Rs. 842,459 in loans to Local Bodies; and  
Rs. 578,291 in miscellaneous advances.

(iii.) The chief liabilities were:—

	Rs.
Currency Reserve ... ..	7,710,245
Widows' and Orphans' Pension Fund ...	4,930,361
Deposits ... ..	2,935,215

(C.) PUBLIC DEBT.

12. On December 31st, 1907, the public debt of Ceylon stood as follows:—

	£
Nett Sterling Debt ... ..	4,012,087
Nett Silver Debt (Rs. 2,735,214) ...	182,347
Total Indebtedness ...	<u>£4,194,434</u>

13. The following table exhibits in sterling the revenue and nett amount of debt during each of the last five years:—

Year.	Revenue.	Nett Amount of Debt.
	£	£
1903 ... ..	1,961,554	4,553,169
1904 ... ..	2,056,446	4,476,480
1905 ... ..	2,293,022	4,386,039
1906 ... ..	2,335,377	4,304,396
1907 ... ..	2,438,255	4,194,434

14. It is estimated that about £2,000,000 is required to defray the cost of completing the programme of Public Works already sanctioned. Of this, some £800,000 has been provisionally advanced out of surplus revenue, including £200,000 for the Colombo Drainage Scheme, which sum will be regarded as a loan to the Municipality.

15. Provision is made for the repayment of all loans by means of a sinking fund, except in the case of the loan from the Public Works Commissioners under Ordinance No. 6 of 1875, which is repayable by an annuity. This debt will be extinguished in 1911.

16. The capital expenditure of the Colony has, with the exception of comparatively small sums spent on Irrigation Works, and the duplication of the Colombo water main, all been made on two great services, Railways and Colombo Harbour Works. The former yield very nearly 6 per cent. interest on the capital invested, while the Harbour has hitherto met all charges, including interest and sinking fund.

#### (D.) CURRENCY AND BANKING.

17. The currency of Ceylon consists of:—

- (1) Copper: Ceylon 5-cent, 1-cent,  $\frac{1}{2}$ -cent, and  $\frac{1}{4}$ -cent pieces.
- (2) Silver: the India rupee, with subsidiary Ceylon 50-cent, 25-cent, and 10-cent pieces.
- (3) Gold: British sovereigns, which are legal tender at Rs. 15 per £.
- (4) Ceylon Government notes of Rs. 1,000, 100, 50, 10, and 5.

On December 31st, 1907, the value of currency notes in circulation was Rs. 16,944,675.

18. The Chartered Bank of India, Australia, and China; the Hong Kong and Shanghai Banking Corporation; the Bank of Madras; the Mercantile Bank of India, Limited; and the National Bank of India, Limited, do business in the Colony.

#### (E.) GENERAL.

19. Early in the year the Audit Department was separated from that of the Controller of Revenue, a specially trained Colonial Auditor being appointed. The Audit Office was thus relieved of responsibilities and duties that had previously tended to retard its more legitimate functions, while the Controller of Revenue is able to devote himself to the supervision of all questions affecting the revenue, especially Land, Arrack, Salt, Opium, and Tolls.

(F.) MUNICIPALITIES.

20. The following is a comparative statement of the total revenue and expenditure of the Municipalities for the five years ended December 31st, 1907:—

Name of Municipality.	Revenue or Expenditure.	1903.	1904.	1905.	1906.	1907.
		Rs. c.	Rs. c.	Rs. c.	Rs. c.	Rs. c.
Colombo ..	{ Revenue ..	1,337,344 8	1,567,907 48	1,591,742 10	1,763,106 36	2,382,256 12*
	{ Expenditure	1,494,429 40	1,666,127 70	1,387,277 98	2,528,754 99	2,217,100 86
Kandy ..	{ Revenue ..	199,303 84	192,150 47	183,553 17	220,691 47	224,196 41
	{ Expenditure	196,217 71	179,563 10	207,938 78	203,242 40	192,736 5
Galle ..	{ Revenue ..	92,896 64	95,911 93	104,899 28	113,035 46	129,637 81
	{ Expenditure	88,115 81	86,563 57	101,473 50	106,918 0	116,578 59

\* The revenue of the Colombo Municipality for 1907 includes a sum of Rs. 600,000 advanced by Government on account of Drainage Works.

21. Below will be found a statement of the debts of the Municipalities up to the end of 1907, showing provision for payment:—

Name of Municipality.	Amount of Debt.	On what account.	Provision for Payment.
Colombo ... ..	Rs. c. Nil. 152,523 87	— Waterworks construction ...	— Water-rate of 6 per cent. on properties within certain portions of the Municipality (Ordinances Nos. 18 and 29 of 1884).
Kandy ... ..	105,402 98	Acquisition of lands above reservoir ; repairs to main sewer and other various works.	Bond assigning portion of water-rate, as authorized by Ordinance No. 7 of 1887 ; also portion of rates and taxes.
	18,000 0	To widen Victoria Drive and clear lake silt.	Bond assigning portion of rates and taxes under sections 127 (a) and (b), 128, 129 and 130 of Ordinance No. 7 of 1887.
Galle ... ..	53,147 81	Construction of waterworks ...	A water-rate of 5 per cent. is levied within the Fort for repayment of loan.
	37,840 82	Sanitary improvements ...	Mortgage of stamp duties on licences for carts, boats, and coaches ; and also stamp duties under Licensing Ordinances of 1893 and 1897.
Total ... ..	366,915 48		

22. As regards the Municipality of Colombo, a sum of Rs. 3,015,036 has been advanced by the Government towards the cost of the Mannergh Drainage and Sewerage Scheme. The construction of the Colombo Waterworks and the Victoria Bridge was carried out by Government, and the Municipality has undertaken to repay Government an annual sum of Rs. 100,000 until 1924 in respect of the former, and of Rs. 8,000 until 1945 for the latter.

(G.) LOCAL BOARDS.

23. The town of Bandarawela having been brought under the provisions of the Local Boards' Ordinance, there are now twenty Local Boards in Ceylon. The Boards are entrusted with the maintenance of public health and the general improvement and conservancy of the towns in which they are established. Their sources of revenue are an assessment tax on real property, taxes on vehicles and animals, road commutation tax, stamp duties for various licences, and fines for breaches of by-laws, &c.

24. In 1907 the total revenue of these Boards amounted to Rs. 361,054 as against Rs. 330,993 in 1906, and the total expenditure to Rs. 370,942 as against Rs. 297,726 in 1906. Loans are made to Local Boards usually at  $3\frac{1}{2}$  per cent. interest and 2 per cent. sinking fund for approved purposes, such as water-works, drainage, erection of markets, &c., on the security of their revenue. Loans outstanding on December 31st, 1907, amounted to Rs. 406,079.

II.—TRADE, AGRICULTURE, AND INDUSTRIES.

(A.) IMPORTS AND EXPORTS.

25. The year 1907 was one of unprecedented prosperity for Ceylon trade, as will be seen from the following table:—

Aggregate value of imports and exports for the last five years (omitting specie, but including coal exported for use of steamers).

Year.				Lacs of Rupees.
1903	...	...	...	2,144
1904	...	...	...	2,198
1905	...	...	...	2,240
1906	...	...	...	2,363
1907	...	...	...	2,631

26. The Customs revenue strikingly benefited by the prevalent activity in trade, and nearly reached a hundred lacs of rupees:—

Gross Customs Revenue for the five years ended 1907.

				Increase over previous year.
Year.				Rs.
1903	...	...	...	8,043,000
1904	...	...	...	8,334,000
1905	...	...	...	8,653,000
1906	...	...	...	8,875,000
1907	...	...	...	9,678,000

27. The chief articles contributing to the revenue in 1907 were:—

	Rs.
Grain ... ..	3,474,072
Spirits ... ..	1,261,000
Kerosine oil ... ..	911,122
Sugar ... ..	870,336
Cotton goods ... ..	342,313

28. The following table shows the distribution of exports and imports (omitting specie, and coal exported for use of steamers):—

Distribution of Imports and Exports.

Total Imports, Rs. 120,150,000.

	Per Cent.
From United Kingdom ... ..	27·2
From British Possessions ... ..	60·6
From Foreign Countries ... ..	12·2

Total Exports, Rs. 129,350,000.

	Per Cent.
To United Kingdom ... ..	51·0
To British Possessions ... ..	17·2
To Foreign Countries ... ..	31·8

29. In the Report on the Blue Book for 1903 the writer drew attention to the vast strides made in the foreign trade of the Colony in the preceding decade. As regards imports, it was remarked that "Although the imports from foreign countries are still a comparatively small proportion only of the total imports, their relative importance is no longer negligible, and if their present rate of increase continues another ten years will place them in front of the imports from the mother country," while the exports to foreign countries were observed to be rapidly approaching the exports to the United Kingdom. It is of some interest therefore to find that during the last four years the British and Colonial trade has not lost any further ground, but has practically maintained its position, as the following comparison of percentages shows:—

	Imports.		Exports.	
	1903.	1907.	1903.	1907.
	Per cent.	Per cent.	Per cent.	Per cent.
From United Kingdom ...	25·22	27·2	53·42	51·0
From British Possessions ...	63·34	60·6	15·46	17·2
From Foreign Countries ...	11·44	12·2	31·12	31·8

30. The following table exhibits the values of the principal imports for the last two years:—

*Principal Imports.*

	1906.				1907.			
	United Kingdom.	British Possessions.	Foreign Countries.	Total.	United Kingdom.	British Possessions.	Foreign Countries.	Total.
<b>1.—LIVE ANIMALS.</b>								
Cattle ...	Rs. 600	Rs. 439,300	Rs. —	Rs. 439,900	Rs. 2,100	Rs. 402,500	Rs. —	Rs. 404,600
Horses ...	3,600	90,800	—	94,400	4,500	150,000	—	154,500
Sheep ...	—	321,700	—	321,700	—	184,000	—	184,000
Goats ...	—	218,000	—	218,000	—	311,800	—	311,800
<b>2.—ARTICLES OF FOOD AND DRINK.</b>								
Bacon ...	71,200	1,800	600	73,600	77,500	500	200	78,200
Beer { Bottled	82,100	—	125,000	207,100	92,900	—	113,300	206,200
Beer { Cask ...	76,700	—	600	77,300	57,200	—	100	57,300
Brandy ...	24,800	1,100	312,200	318,100	14,400	1,100	343,800	359,300
Biscuits ...	258,600	9,700	66,200	334,500	247,900	18,500	62,200	328,600
Butter ...	3,800	182,900	9,300	195,000	4,600	213,400	7,000	225,000
Coffee (unmixed)	200	815,300	—	815,500	200	846,300	3,600	850,100
Confectionery...	175,200	14,100	4,200	193,500	202,100	12,200	3,500	217,800
Flour ...	400	1,414,100	1,400	1,415,900	—	1,500,300	400	1,500,700
Gin ...	39,400	—	181,600	220,900	37,900	—	258,800	296,700
Gram ...	—	715,600	13,100	728,700	—	817,600	15,100	832,700
Onions...	300	542,400	3,000	545,700	—	641,200	1,100	642,300
Paddy ...	—	2,544,100	500	2,544,600	—	2,244,000	2,700	2,246,700
Potatoes ...	4,700	144,200	270,000	418,900	3,400	214,200	286,700	504,300
Rice ...	100	38,443,500	605,600	39,049,100	—	39,523,400	1,401,600	40,925,000
Sugar (refined)	97,900	1,474,100	1,216,300	2,788,300	201,200	1,078,200	1,635,400	2,914,800
Whisky ...	490,000	3	1,600	491,600	532,600	1,000	100	533,700

*Principal Imports—continued.*

	1906.				1907.			
	United Kingdom.	British Possessions.	Foreign Countries.	Total.	United Kingdom.	British Possessions.	Foreign Countries.	Total.
<b>3.—NARCOTICS.</b>								
Cigars ... ..	Rs. 337,800	Rs. 13,800	Rs. 56,500	Rs. 408,100	Rs. 315,700	Rs. 13,900	Rs. 64,700	Rs. 394,300
Tobacco (unmanufactured)...	—	26,100	2,000	28,100	100	17,900	6,400	24,400
Opium ... .. lb.	27	18,512	346	18,885	33	21,924	327	22,284
<b>4.—RAW MATERIALS.</b>								
Coal ... ..	7,051,000	4,747,000	121,000	11,919,000	6,444,400	3,862,100	243,400	10,549,900
Iron (all kinds) ... ..	79,500	22,600	87,100	189,200	109,100	4,200	140,200	253,500
Manure (bone and fish) ... ..	1,200	693,400	16,200	710,800	—	996,300	16,400	1,012,700
Lead (pig) ... ..	71,000	476,000	61,300	609,000	50,700	510,100	—	560,800
Steel ... ..	115,200	300	97,300	212,800	226,100	1,000	104,500	331,600
Teak ... ..	—	222,700	362,800	585,500	—	86,200	507,700	593,900
Tin (plates and slabs) ... ..	124,400	59,300	10,100	193,800	111,100	97,500	—	208,600
<b>5.—MANUFACTURED ARTICLES.</b>								
<i>(a) Textile.</i>								
Apparel (made up) ... ..	254,800	28,400	160,300	443,500	297,500	42,800	137,700	478,000
Cotton piece goods :—								
(1) Bleached ... ..	1,626,700	119,500	15,200	1,761,400	2,163,900	115,800	16,600	2,296,300
(2) Dyed ... ..	593,600	1,352,700	532,200	2,478,500	586,800	1,498,200	682,800	2,767,800
(3) Gray ... ..	1,081,300	36,300	168,100	1,285,700	704,300	17,800	88,200	810,300
(4) Mulin ... ..	38,700	4,000	100	42,800	41,800	5,600	1,000	48,400
(5) Printed ... ..	930,600	18,400	28,300	977,300	1,141,200	36,600	11,600	1,189,400
(6) Other ... ..	553,800	108,400	103,100	765,300	460,500	111,700	127,600	699,800

Flannel	...	...	...	61,700	6,300	23,600	91,600	61,700	1,500	39,600	102,800
Mixed materials, piece goods	...	...	...	170,000	207,000	109,000	486,000	235,900	220,000	117,400	573,300
Silk and satin broad-stuffs	...	...	...	80,600	58,400	145,300	284,300	74,400	56,000	142,000	272,400
(b) Metal.											
Galvanized iron	...	...	...	678,100	600	91,000	769,700	991,700	200	174,800	1,166,700
Hardware	...	...	...	916,800	19,000	154,200	1,090,000	1,089,600	20,400	162,900	1,472,900
Hoop iron	...	...	...	81,100	18,900	130,000	230,000	189,300	13,100	198,100	400,500
Nails and rivets	...	...	...	32,800	300	105,500	138,600	80,100	1,800	103,900	135,800
Tea lead	...	...	...	555,900	—	1,800	557,700	348,000	—	3,200	351,200
(c) Other.											
Casks and shoocks	...	...	...	93,800	241,500	232,200	567,500	80,600	141,500	91,900	304,000
Cement	...	...	...	159,900	—	69,900	229,800	205,700	—	103,900	309,600
Chemists' sundries	...	...	...	315,700	22,400	55,200	393,300	319,900	18,600	85,900	424,400
China-ware	...	...	...	188,300	700	112,100	301,100	209,000	3,300	112,600	324,900
Fancy articles...	...	...	...	238,300	42,100	118,100	398,500	213,600	35,400	106,100	385,100
Haberdashery (including jewellery)	...	...	...	977,300	935,800	216,700	2,129,800	974,200	913,600	198,200	2,086,000
Kerosine oil	...	...	...	—	2,100	1,452,500	1,454,600	—	1,400	1,424,600	1,426,000
Machinery (all kinds)	...	...	...	920,600	14,200	129,300	1,064,100	1,018,400	9,400	115,200	1,143,000
Manures (all kinds)	...	...	...	173,900	1,185,000	668,300	2,027,200	253,800	1,479,000	911,700	2,644,500
Matches	...	...	...	1,200	500	207,200	208,900	7,800	2,800	167,500	178,100
Milk (preserved)	...	...	...	20,800	900	302,700	334,400	35,000	2,000	334,000	371,000
Poonac...	...	...	...	—	1,361,200	24,800	1,386,000	—	1,471,600	21,600	1,493,200
Soap	...	...	...	242,700	139,400	41,600	423,700	184,500	177,800	21,600	383,900
Tea chests	...	...	...	782,000	31,200	1,110,000	1,923,200	872,200	33,400	891,500	1,797,100
6.—SPECIE.											
Gold (coin)	...	...	...	222,000	3,277,500	—	3,499,500	15,000	4,650,000	300	4,665,300
Silver (coin)	...	...	...	—	7,213,900	200	7,214,100	—	4,484,200	200	4,484,400

31. An analysis of the above table shows that the chief changes are as follows:—

**Live Animals.**—Less sheep and correspondingly more goats were imported.

**Food and Drink.**—Less beer, more brandy and whisky, much more gin were imported. Imports of rice from non-British India have increased from  $\frac{1}{2}$  to nearly  $1\frac{1}{2}$  million rupees; imports of rice from British India meanwhile have increased from 38½ to 39½ millions.

**Raw Materials.**—(a) Imports of Japanese coal are double in amount at expense of British coal; (b) imports of iron rise from Rs. 189,000 to Rs. 253,000—this is chiefly due to a very large increase in the import of bar iron from Belgium (Rs. 43,000 to Rs. 111,000); (c) in pig lead Spain and Germany account for Rs. 61,000 to 1906, but in 1907 this disappears entirely; (d) in steel the United Kingdom output is doubled, while Belgium advances at the expense of Germany; (e) the teak import shows growth of Siamese produce—Burma decreases from Rs. 183,000 to Rs. 80,000, and Siam grows from Rs. 363,000 to Rs. 504,000.

**Manufactured Articles.**—(a) Imports of galvanized iron show a large increase. This is due to an import of Rs. 381,000 worth of galvanized barbed wire (not found in 1906 statistics), of which the United Kingdom supplies Rs. 236,000, Belgium Rs. 41,000, Germany Rs. 75,000, and United States of America Rs. 29,000. In ordinary galvanized iron, Germany falls from Rs. 65,000 to Rs. 19,000. (b) The import of hoop iron also shows a large increase—practically doubled. The increase is distributed as follows:—United Kingdom Rs. 81,000 to Rs. 189,000, Germany Rs. 77,000 to Rs. 137,000, and Belgium Rs. 16,000 to Rs. 41,000. (c) Imports of casks and shooks—both from British India and Austria—show large decreases. (d) Imports of manures from United Kingdom, British India, and Germany have risen largely in quantity.

32. The above table may also be analysed as follows to show the articles which are imported to a larger extent from foreign countries than from the United Kingdom or the Colonies:—

Articles in respect of which the United Kingdom or the Colonies head the Imports into Ceylon.		Articles in respect of which Foreign Countries head the Imports into Ceylon.
Live animals	Apparel (made up)	Bottled beer
Bacon	*Cotton piece goods	Brandy
Cask beer	Flannel	Gin
*Biscuits	*Mixed materials, piece goods	Potatoes
Butter	*Galvanized iron	Sugar
Coffee	*Hardware	Teak
Confectionery	Tea lead	Silks and satins
Flour		Hoop iron
Gram	*Casks and shooks	
Onions	*Cement	

Articles in respect of which the United Kingdom or the Colonies head the Imports into Ceylon.		Articles in respect of which Foreign Countries head the Imports into Ceylon.
Paddy	*Fancy articles	Nails and rivets
Rice	*Haberdashery	Kerosine oil
Whisky	*Machinery	Matches
Cigars	*Manures	Milk (preserved)
Opium	Poonac	Tea chests
Coal	Soap	
Manures (bone and fish)		
Lead		
Steel		
Tin		

It will be noticed that the United Kingdom or the Colonies still hold the field in the large majority of important articles. In those marked\* however there is considerable foreign competition.

33. The following table shows the changes in the relative positions of the various countries which export goods to Ceylon:—

*Ceylon's Chief Sources of Supply, Value of Imports (excluding Specie).*

Country.	1905.		1906.		1907.	
	Value of Exports to Ceylon.	Position.	Value of Exports to Ceylon.	Position.	Value of Exports to Ceylon.	Position.
	<b>Rs.</b>		<b>Rs.</b>		<b>Rs.</b>	
1. British India ...	60,495,700	1	59,687,700	1	60,468,700	1
2. United Kingdom	25,170,700	2	29,569,700	2	32,626,000	2
3. Burma ...	4,223,400	3	4,057,600	3	4,045,800	3
4. Germany...	2,692,900	4	2,814,800	4	2,921,100	4
5. Straits Settlements	414,500	19	1,887,700	5	2,904,100	5
6. Maldiv Islands ...	2,042,200	5	1,843,300	6	2,267,000	6
7. India(non-British)	1,511,900	8	753,600	12	1,735,000	7
8. Japan ...	1,623,900	6	1,557,000	7	1,507,000	8
9. Austria ...	794,600	11	1,141,100	10	1,297,500	9
10. Borneo ...	145,600	25	660,600	14	1,267,500	10
11. Hong Kong ...	1,555,200	7	1,479,900	8	1,152,600	11
12. United States of America.	801,200	10	1,375,800	9	1,002,400	12
13. France ...	755,000	12	797,800	11	757,600	13
14. South Australia...	480,700	17	591,200	16	744,900	14
15. Victoria ...	530,900	15	667,400	13	740,100	15
16. Java ...	496,300	16	101,500	25	735,200	16
17. Holland ...	677,500	13	591,400	15	715,900	17
18. Belgium ...	544,600	14	425,300	17	694,700	18
19. Siam ...	172,800	24	390,800	19	627,200	19
20. Italy ...	322,900	20	335,200	20	451,200	20
21. Switzerland ...	431,800	18	422,800	18	428,300	21
22. New South Wales	278,600	21	254,900	22	329,700	22
23. Sweden ...	182,300	23	193,500	24	164,400	23
24. China ...	231,900	22	282,500	21	124,800	24
25. Russia ...	983,300	9	254,500	23	59,700	25
26. West Australia ...	88,400	26	85,700	26	41,100	26

The chief features are the advance of the Straits, Borneo, and Siam, and the decline of Hong Kong and Russia.

34. In the next table will be found a comparison between exports of Ceylon produce and manufacture in 1906 and 1907:—

*Principal Exports.*

	1906.					1907.				
	United Kingdom.	British Possessions.	Foreign Countries.	Total.	United Kingdom.	British Possessions.	Foreign Countries.	Total.	Rs.	Total.
Areca nuts ...	Rs. 1,800	1,937,800	89,200	Rs. 2,028,800	Rs. 5,300	2,322,900	86,800	Rs. 2,415,000	Rs.	2,415,000
Cacao ...	1,415,500	219,000	417,900	2,052,400	3,803,000	234,400	1,195,700	5,232,100	Rs.	5,232,100
Cardamoms...	235,600	231,600	118,600	585,800	286,400	415,500	127,100	829,000	Rs.	829,000
Cinnamon ...	310,700	40,400	2,291,000	2,642,100	407,200	66,400	2,572,100	3,045,700	Rs.	3,045,700
Citronella oil ...	514,200	66,000	624,600	1,204,800	617,000	67,100	702,000	1,386,100	Rs.	1,386,100
Cocoanuts:—										
(1) Desiccated ...	1,798,800	245,200	1,360,100	3,404,100	2,439,400	328,900	1,703,200	4,471,500	Rs.	4,471,500
(2) Fresh ...	666,200	7,300	255,000	928,500	689,400	13,600	201,500	904,500	Rs.	904,500
Cocoanut oil...	3,430,200	1,567,800	4,547,600	9,545,700	4,985,100	2,434,300	4,411,000	11,830,400	Rs.	11,830,400
Coir fibre ...	274,200	116,600	535,500	926,300	400,700	198,400	652,400	1,251,500	Rs.	1,251,500
Coir rope ...	1,200	202,200	5,000	208,400	4,200	208,200	6,300	218,700	Rs.	218,700
Coir yarn ...	722,000	101,500	248,100	1,071,600	706,700	106,800	246,300	1,058,800	Rs.	1,058,800
Copra ...	187,600	32,100	5,441,700	5,661,400	33,200	50,200	5,239,000	5,322,400	Rs.	5,322,400
Plumbago ...	2,791,900	57,700	7,607,900	10,457,500	2,327,000	51,600	6,528,000	8,906,600	Rs.	8,906,600
Poonao ...	—	400	1,064,100	1,064,500	—	2,100	882,900	885,000	Rs.	885,000
Rubber ...	1,016,000	23,300	488,300	1,527,600	1,703,500	69,000	1,179,600	2,952,100	Rs.	2,952,100
Tea ...	38,961,600	12,515,100	9,946,800	61,422,100	46,281,800	13,829,100	14,553,000	74,663,900	Rs.	74,663,900
Tobacco (unmanufactured)	—	915,600	—	915,600	—	928,800	—	928,800	Rs.	928,800

It will be seen that every product, except coir yarn, copra, plumbago, and poonac shows a most satisfactory advance.

35. Ceylon's largest customers are given below :—

*Ceylon's Chief Customers (Value of Exports, excluding Specie).*

Country.	1905.		1906.		1907.	
	Value of Exports from Ceylon.	Position.	Value of Exports from Ceylon.	Position.	Value of Exports from Ceylon.	Position.
	Rs.		Rs.		Rs.	
1. United Kingdom	53,827,200	1	53,264,700	1	65,565,800	1
2. United States of America.	8,151,800	2	10,333,500	2	11,802,100	2
3. Russia° ...	4,415,500	5	5,780,100	5	9,022,000	3
4. Germany... ..	6,568,500	3	8,201,700	3	8,177,500	4
5. British India ...	5,071,700	4	6,013,000	4	5,763,900	5
6. New South Wales	3,465,700	6	3,233,000	6	4,255,000	6
7. Victoria ... ..	2,996,700	7	3,190,300	7	3,416,900	7
8. Belgium ... ..	1,995,700	10	2,708,900	9	3,233,400	8
9. China (excluding Hong Kong).	1,526,400	11	1,947,200	11	3,209,600	9
10. Canada ... ..	2,302,500	9	2,635,700	10	2,607,900	10
11. New Zealand ...	1,484,600	12	1,574,700	12	1,894,500	11
12. Austria ... ..	2,962,400	8	3,005,900	8	1,548,800	12
13. France ... ..	1,367,500	13	795,800	13	706,200	13
14. Holland ... ..	341,700	15	546,700	16	620,900	14
15. Denmark... ..	205,900	16	670,200	14	610,700	15
16. Straits Settlements	655,000	14	571,100	15	599,600	16

*Russia in Asia	522,300	...	1,745,000	...	2,079,100
Russia in Europe	3,893,000	...	4,035,200	...	6,942,900

Russia and Belgium have largely increased their imports from Ceylon; Austria and France, on the other hand, take much less than they did three years ago. The increased value of exports to the United Kingdom is attributed to the better price obtained for Ceylon tea (see paragraph 37).

*Tea.*

36. The following table shows the comparative distribution of Ceylon tea in 1906 and 1907 :—

*Principal Markets for Ceylon Tea.*

—				1906.	1907.
I.—UNITED KINGDOM ... ..				lb. 108,154,199	lb. 111,485,802
II.—British Possessions :—					
British India ... ..	...	...	...	1,166,381	1,214,950
Canada ... ..	...	...	...	7,234,582	6,161,602
Hong Kong ... ..	...	...	...	745,527	294,885

	1906.	1907.
<b>II.—British Possessions—cont.</b>	<b>lb.</b>	<b>lb.</b>
Natal ... ..	443,695	534,894
New South Wales ... ..	8,824,980	9,618,560
New Zealand ... ..	4,071,051	4,313,696
Queensland ... ..	746,431	866,376
South Australia... ..	919,897	1,018,795
Victoria ... ..	8,055,420	7,187,238
West Australia ... ..	843,910	736,825
<b>Total British Possessions...</b>	<b>34,751,281</b>	<b>33,290,854</b>
<b>III.—Foreign Countries :—</b>		
Austria ... ..	319,579	201,060
China (excluding Hong Kong)	5,329,671	7,699,129
Egypt ... ..	228,782	217,151
France ... ..	553,695	461,845
Germany... ..	1,223,624	578,881
Russia ... ..	13,638,244	19,670,490
United States ... ..	5,640,931	5,528,297
<b>Total Foreign Countries ...</b>	<b>27,621,666</b>	<b>35,068,171</b>
<b>Graud Total ... ..</b>	<b>170,527,146</b>	<b>179,844,827</b>

The feature of the year was the greatly increased Russian demand.

37. The average price of Ceylon tea sold on the London market in 1907 was nearly 1*d.* per lb. higher than the corresponding price in 1906, viz., 8½*d.* against 7¼*d.* Prices on the Colombo market were consistently above those of the previous year, the average for the whole year being 40·87 cents, against 34·82 cents for 1906. According to the annual report of the Ceylon Planters' Association, "The year closed with a very strong market, the statistical position showing that consumption is gradually overtaking production."

38. The total production of green tea for the year was approximately 6½ million lb., against 4½ million lb. for 1906. Russian shipment figures showed an increase of over 100 per cent. on the previous season, and the American figures show that Ceylon has more than maintained her footing in that market in the competition with the teas of Japan and China.

39. In accordance with directions from the Secretary of State, a Proclamation issued on January 24th, 1907, notifying the discontinuance after December 31st, 1908, of Ordinance No. 4 of 1894, which levied an export duty of 20 cents per 100 lb. of tea, "in order that the proceeds of such duty may be devoted to increasing the consumption of Ceylon tea in foreign lands."

## (B.) MINES, MANUFACTURES, AND FISHERIES.

(a) *Pearl Fishery.*

40. For the fifth year in succession a pearl fishery was held at Marichchukkaddi, and for the first time in the long history of the industry the fishery was managed by a company instead of by Government. The Ceylon Company of Pearl Fishers leased for twenty years from January 1st, 1906, "all that right or privilege which the Ceylon Government have heretofore exercised and enjoyed of fishing for and taking pearl oysters on the coasts of Ceylon between Talaimannar and Dutch Bay point," but the fishery of 1906 was managed by Government on the old lines on behalf of the company. In 1907 the company took over the complete management themselves. The administration of the camp in general, however, remained in the hands of Government on behalf of the company, which reimburses Government for the expenses incurred.

41. The company introduced several reforms in the conduct of the fishery, *e.g.*, (1) limitation of the number of boats and divers permitted to participate; (2) landing of the divers' catch of oysters in sealed bags instead of in bulk, and delivery to buyers in bags averaged to a common size, thereby dispensing with the necessity of counting individual oysters; and (3) the sealing and tallying in bags of the catch of each boat at the close of the day's fishing and before the boats started on their homeward journey. This plan proved most successful in securing the practical cessation of illicit opening of oysters.

42. The fishery lasted from February 20th to April 2nd, the total number of oysters lifted by the divers being 21,514,434, so that the company's "two-thirds" share was 14,342,955. By the terms of the lease Government receive a fixed annual rent of Rs. 310,000.

43. One of the conditions of the lease is that a sum of not less than Rs. 50,000—to be increased at the discretion of the Government to any sum not greater than Rs. 150,000—shall be annually expended by the company on the improvement of the fishery, and the first report of the company shows that more than Rs. 100,000 has been so spent.

(b) *Inland Fisheries.*

44. A Commissioner has been appointed to undertake a statistical and biological inquiry into the present state of the inland fisheries in the different Provinces from the point of view of food supply.

(c) *The Mineralogical Survey.*

45.—(i.) The following extracts from a report\* published in September, 1907, by Professor Wyndham Dunstan, M.A.,

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\* Colonial Report (Miscellaneous), No. 42.

LLD., F.R.S., Director of the Imperial Institute, are of interest:—

"The Mineral Survey of Ceylon has now been sanctioned by the Secretary of State for the Colonies on the recommendation of the Government of Ceylon for a further term of three years under the supervision of the Director of the Imperial Institute and in collaboration with the Scientific and Technical Department of the Institute. Mr. James Parsons, B.Sc., has been appointed Principal Mineral Surveyor, and Mr. J. A. Daniel, B.A. (Cantab.), Assistant Mineral Surveyor. The Surveyors, who are stationed in Ceylon, are instructed to conduct a thorough geological exploration of selected areas of the Island, with special reference to the occurrence of economic minerals, specimens of which are to be regularly forwarded to the Imperial Institute, where their precise composition and probable commercial value will be ascertained by examination in the Scientific and Technical Department, and, wherever necessary, by submission to manufacturers for technical trial. Notification has also been given in the Island by the Government of Ceylon that residents may forward to the Imperial Institute for report, through the Colonial Secretary at Colombo, specimens of any minerals found in the Island which are believed to be of economic importance."

(ii.) "Attention has again been given to the examination of localities in which minerals containing thorium may occur, especially the beds of streams and rivers, and preliminary results of much importance have been obtained. The river gravels have in several instances proved to contain not only the valuable minerals thorianite, monazite, and thorite, but gold in addition. These river gravels have been concentrated by the officers of the survey by 'panning' in the usual way, and the results of the analysis of the concentrates forwarded for examination to the Imperial Institute.

"It will be seen that gold and thorium minerals are often present in considerable quantities. Attention may be particularly directed to a concentrate obtained from the Walawe-ganga (Morahela) river, which contained no less than 9.6 per cent. of gold and 45 per cent. of thorianite. If material of this quality can be readily concentrated on a large scale from the gravels of large areas of the river bed, the undertaking will no doubt prove to be highly profitable."

(iii.) "The occurrence of gold in payable quantities in those localities in which thorianite also occurs enormously increases the profit obtainable from the exploitation of the latter mineral. The collection of thorianite in Ceylon has yielded already a handsome return since the value of this mineral was made known in 1904, though the subsequent fall in the price of thoria referred to in the previous report has led to a lessening of activity on the part of the collector, and a natural desire to hold rather than sell the material which has been collected in the expectation of a rise in its market value."

(iv.) "Of scientific interest as well as commercial importance is the fact recorded in this and the previous report that the monazite of Ceylon is richer in thoria, and therefore correspondingly more valuable than the monazite obtained in other localities. It is now shown that one specimen from Pussedola, Dala, Sab., contains no less than 14 per cent. of this valuable rare earth."

(v.) "Of great interest is the occurrence of platinum found for the first time in Ceylon near Karawita. This occurrence should be further investigated, and careful search made for this most valuable metal in other localities."

46. Mr. Parsons reports that there was a considerable increase in the mining of mica during 1907, especially in the Kandy District, 426 cwt. being exported as against 99 cwt. in 1906.

*(d) Mining.*

47.—(i.) The output of plumbago showed a decrease during the year. Only 650,116 cwt. valued at Rs. 8,906,589 were exported, as against 701,845 cwt. in 1906 valued at Rs. 10,457,490. In the Western Province, where plumbago is extensively mined, there was a decrease of 40,000 cwt., as compared with the output of the previous year. The average value in 1907 was Rs. 13·70 a cwt., as against Rs. 14·90 a cwt. in 1906; good prices prevailed during the greater part of the year, but towards the end a marked depression set in and there was a serious fall in prices.

(ii.) The plumbago mines are chiefly in the Ratnapura and Kurunegala Districts and parts of the Western and Southern Provinces. The industry is a somewhat speculative one, success depending largely on the demand for plumbago by buyers in the European and American markets. It is carried on for the most part by native capitalists. A great improvement has been effected in the methods of working the mines or pits since the appointment of a Government Inspector of Mines.

48. Mica has been extensively worked in the Balangoda district of the Province of Sabaragamuwa. The mineral obtained there is reported to be of excellent quality. There are also two mines at work in the Nuwara Eliya District, the output of which during the year was 80 cwt. The total quantity of mica exported during the year was 426 cwt. valued at Rs. 14,955, or Rs. 35 per cwt. In 1906 only 99 cwt. were exported, but this smaller quantity was valued at Rs. 7,516, or Rs. 75·92 per cwt.

49. Moonstones are found in the Kandy District, where two large pits were worked during the year. Other precious stones, such as rubies, cat's-eyes, sapphires, &c., are gemmed in the Ratnapura District chiefly.

50. The quarrying of cabook or gneiss and granite has received a stimulus in recent years consequent on the demand for new houses in the principal towns, especially in Colombo and its suburbs.

*(e) Salt.*

51. The manufacture of salt is a Government monopoly, and is protected by the imposition of a duty of Rs. 2·13 per cwt. on imported salt. A sum of Rs. 1,737,871·86 was realized by its sale in 1907, or Rs. 1,775·93 in excess of 1906.

The year was a favourable one for its manufacture and collection. A total of 674,798 cwt. was collected for the whole Island, which is the second highest on record within the last thirty-four years, and is exceeded only by the harvest of 1905, which realized 713,822 cwt.

*(f) Manufactures.*

52. Ceylon is essentially an agricultural country, and its manufactures on any large scale are chiefly confined to the products of agriculture.

53. In the districts where the coconut palm is cultivated copra is manufactured, and is largely exported to the United Kingdom and elsewhere in Europe. The making of fibre, coir rope, and yarn, and coir matting from the husk of the coconut is also carried out on an extensive scale, the work being done for the most part by women. There are a few desiccating mills, where the kernel of the coconut is dried and specially prepared for export.

54. In the Northern Province, where tobacco thrives, cigars are manufactured, but this industry suffers from increasing competition with cigarettes. The Jaffna cigar seller nevertheless is still ubiquitous in the Island, and his cigars, which are small, strong, and extremely cheap, are a favourite smoke with the natives. The future of this industry largely depends on new markets being found for the cigars, but to effect this an improvement in the method of curing the tobacco is essential.

55. The manufacture of tiles and bricks is carried on in all parts of the Island where suitable clay is plentiful.

56. The weaving of a coarse kind of cloth in hand looms is carried on in the Eastern, Northern, and Central Provinces. It supplies purely local wants, and the cloth, though strong and of hard wearing quality, is inferior in texture and finish to imported material. It is, however, highly valued by the particular class of natives who use it.

57. In other districts the making of baskets, tortoise-shell boxes and combs, and common earthenware for water pans and cooking utensils is generally pursued to meet local wants. Excellent furniture is made in the Western Province, especially at Moratuwa.

58. Jewellery of very fine workmanship is made in the Northern Province to supply local wants. It is a species of filigree work, which is highly prized by the Tamil population of the Island.

59. The indigenous crafts peculiar to the Kandyan country, *i.e.*, silver and brass work, the making of jewellery, earthenware, and painted pottery, lacquer work, and ivory carving, continue to receive encouragement from the Kandyan Art Association. Specimens of the articles are kept in the Kandyan Art Museum, where they can be purchased.

60. Brass lamps, betel stands, plates, cooking utensils, and water pots are made in the North-Western and Eastern Provinces, and at Negombo in the Western Province.

61. In the Mannar District of the Northern Province the drying and salting of fish gives employment to a large number

of people. No less than 20,500 cwt. of this article, valued roughly at Rs. 197,700, were manufactured in 1907 for inland consumption. Fish curing is also pursued by the fishermen of Negombo, Hambantota, and Trincomalee.

### (C.) AGRICULTURE.

#### (a) *The Agricultural Society.*

62.—(i.) The Ceylon Agricultural Society, founded in November, 1904, had at the end of 1907 a membership of 1,168 and 52 branches.

(ii.) The principle of co-operation has been adopted by more than one of the branch societies, seed and in some cases money being advanced by the local societies to their members at a low rate of interest. Important results are hoped for from the extension of this principle of co-operation and self-help.

(iii.) Agricultural Instructors are employed in making inspections and giving demonstrations in the villages. The utility of these officers has so far been demonstrated that the appointment of an additional Instructor is before the Board.

(iv.) Twelve successful Agri-Horticultural Shows were held during the year.

(v.) Cotton cultivation has been introduced into several Provinces, and attention has also been paid to tobacco and improved means of curing it.

(vi.) Other crops which have received special attention, particularly by the introduction of better varieties, are betel (*Piper betel*), yams (*Dioscoreæ*), shilli (*Capsicum*), orange, mango, sapodilla, durian, and all varieties of vegetables.

(vii.) The development of the fibre industry and the introduction of suitable machines continue to receive attention.

(viii.) The extermination of pestiferous plants, such as iluk and prickly pear, has been carried out in different places.

(ix.) In connection with paddy cultivation, an effort has been made to encourage transplanting, judicious manuring, and the employment of better seed as well as implements.

(x.) School gardens, which are doing excellent work, are being multiplied.

(xi.) Three additional experimental gardens were started during the year.

(xii.) The encouragement of sericulture has extended to the purchase of machinery for treating the cocoons of silkworms.

(xiii.) Bee-keeping makes steady progress.

(xiv.) The improvement of stock is being kept well in view with the help of the Veterinary Surgeon and his Stock Inspectors.

*(b) Position of Agricultural Industries.*

63. The state of the agricultural industries remains on the whole one of genuine prosperity.

*Tea.*—See page 19.

*Coconut Products.*—The following is from the annual report of the Planters' Association:—"The year has been quite the best on record, for though crops were generally short, yet the high price of copra in the early part of the year more than compensated owners for such shortage. On February 27th, 1907, the price rose to Rs. 86 per candy, which is the highest figure ever recorded for this article in the annals of Ceylon history. The total export of copra (347,970 cwt.) was about 76,000 cwt. short of the quantity sent out in 1906; the coconuts in the shell were less by  $2\frac{1}{2}$  million nuts. Oil also shows a falling off in shipment by 50,000 cwt., 460,683 cwt. going out this year against 511,720 in 1906; whilst poonac, of course, shows a similar decline.

"This falling off in crop is generally considered to be due to the very dry season of 1906, which seriously affected in many districts the young nuts then setting for maturity in 1907. Germany, again this year, was our best customer for copra; and took almost half of the total export, and purchases by Belgium come next, and show a heavy increase over the business done in the previous year."

*Cacao.*—The export, owing partly to late cropping in 1906, increased from 55,621 cwt. to 93,851 cwt.

*Cardamoms* had a good year, 7,085 cwt. being exported at an average value of Rs. 117.01 per cwt., as against 6,505 cwt. at Rs. 90.05 per cwt. in 1906.

*Coca*, though only a small crop, continues to prosper. The Ceylon leaf brings higher prices than the South American, and is largely the standard of the market.

*Citronella Oil.*—The output increased slightly from 1,213,748 lb. to 1,298,752 lb., and the average value in 1907 rose from 99 cents to Rs. 1.07 per lb. Experiments with the distillation of oil from lemon grass and citronella are continuing at Peradeniya with a view to extending these industries.

*Camphor.*—The serious drop in price has materially curtailed the profits in this industry, but new areas are still being opened. The Planters' Association reports as follows:—

"The old destructive method of obtaining the camphor is now being abandoned as too improvident to repay the expenses of cultivation. There seems to be a general tendency to look towards the leaves and new twigs as to the future source of commercial camphor. It is found that the valuable product is distributed throughout the whole system of the tree, and a method of cultivation, depending upon the production of a large quantity of leaves and twigs, is probably the one which will be aimed at."

The cultivation of Rubber continued to extend, and there are probably 150,000 acres now under it, as against 120,000 at

the end of 1906 and 40,000 at the end of 1905. The value of rubber exported was Rs. 2,932,119, as against Rs. 1,527,539 in 1906, Rs. 557,945 in 1905, and Rs. 221,000 in 1904. The trees are, as a rule, remarkably healthy, and in suitable soil the growth is vigorous, giving every promise of success in the future.

During the last four months of the year a great drop in price occurred, and speculators were hardly hit. It has, however, fortunately checked the rapid expansion of the rubber area that was going on, and should prove a blessing in disguise to the industry.

The planting of cotton, often as a catch crop upon rubber estates, is slowly extending, and it is probable that this season there are several hundred acres under this crop.

Paddy.—Rice being the staple article of food, paddy cultivation is the main industry of the village agriculturists throughout the Island. The possibility of failure of the rains at the required season where the cultivator is dependent upon the natural rainfall renders its cultivation somewhat precarious. The completion of the larger irrigation works will render the cultivation of land under them practically independent of the ordinary fluctuations of weather, but in the present thinly populated state of most of the country irrigated from the large tanks, it is difficult to get the people to grow more than they require for food, *i.e.*, one crop in two or more seasons.

#### (D.) LAND SETTLEMENT.

64.—(i.) The Land Settlement Department, which is concerned with the settlement of title (as between the Crown and the individual) to the vast tracts of waste land in the Island, has continued its important work with the same success that has always attended its efforts. The Waste Lands Ordinance under which the settlements are effected has now been in operation for ten years, and the opposition which marked its introduction has practically disappeared. An abortive agitation against the land settlement policy of Government in the North-Western Province was made in the latter part of 1907, but it only served as an opportunity for a complete vindication of that policy in the Legislative Council and a reassurance of the liberal intentions of Government towards *bonâ fide* claimants. As a matter of fact the settlements proposed by the Settlement Officers are almost universally accepted as fair and equitable, and such opposition as there is can generally be traced to interested motives.

(ii.) The total operations under the Waste Lands Ordinance have so far covered 1,110,450 acres, but as there are between 12,000,000 and 13,000,000 acres of uncultivated land in the Island much remains to be done. The Department in 1907 consisted of five officers, and four have been added since; there is some difficulty in speedily recruiting suitable men possessing

the necessary intimate knowledge of the languages and customs of the people.

(iii.) The following notes by the Chief Settlement Officer are of interest:—

In the North-Central Province a large area of Crown land is available for cotton cultivation.

In Uva much land at an elevation of over 2,000 feet has been rendered available for future extensions of tea cultivation, and the settlement of large areas in the low-country suited for coconut and rubber is being proceeded with.

In Matara District many large blocks of land which could be turned into rubber and citronella estates are now available for sale.

The operations in the Trincomalee District of the Eastern Province in 1907 have established the Crown title to a large extent of valuable forest land.

#### (E.) LAND SALES.

65.—(i.) A total of Rs. 1,914,071 was realized by the sale of Crown lands in 1907, or Rs. 702,414 less than the amount obtained in 1906, the year of the "rubber boom."

(ii.) The highest average price of Crown land sold by public auction, viz., Rs. 62·75 per acre, was obtained in the Colombo District, 3,451 acres being sold at this rate, chiefly for rubber cultivation. In the Kandy District 230 acres were sold at an average price of Rs. 49 per acre, and in the Matale District 265 acres at an average price of Rs. 33·31 per acre. In the Kalutara District the average price was Rs. 58·94 per acre. In the Ratnapura District, which had in 1906 the highest average price of Rs. 102·85 per acre, 644 acres were sold by public auction at an average price of Rs. 53·12 per acre. In another good rubber district, Kegalla, 4,793 acres were sold at an average price of Rs. 50·73 per acre. In the Kurunegala District 2,524 acres of land suitable for coconuts, rubber, and cotton were sold at an average price of Rs. 46·92, and in the Chilaw District 1,331 acres for coconut cultivation at Rs. 55 per acre.

#### (F.) SURVEY DEPARTMENT.

66. The operations of the Survey Department during the year comprised 97,010 acres under the Block Survey and 45,595 acres under the Application Surveys, besides Topographical Surveys.

67. In the early part of the year the services of Mr. G. T. Hall of the Survey of India were secured to teach a few members of the staff the use of the plane table for topographical survey work. Mr. Hall spent three months in the Island, with the result that twelve men were well grounded in the work. These men have in their turn taught others, so that there is now a competent body of plane tablers in the Department. The result should be that the 4-mile-to-an-inch map should be finished at a much earlier period than would otherwise be the case.

68. At the instance of the Secretary of State Major E. H. Hills, R.E., C.M.G., head of the Topographical Section of the War Office, made a thorough inspection of survey work in Ceylon during May. Major Hills, who arrived in Ceylon on April 26th, carefully examined every branch of the Department in detail, and visited all the principal centres, travelling over the Island with the Surveyor-General, in order to obtain a personal knowledge of the varying conditions of climate and configuration of the country in which the surveyors are employed. In a valuable and practical report he emphasized the pressing necessity for the strengthening of the supervising staff of the Department, which has not been increased *pari passu* with the expansion of the lower grades. He also pointed out that "unless the staff of both Survey and Settlement Departments are very materially enlarged, the final settlement of all the inhabited and cultivated regions of the Island is little more than a vision of the distant future."

69. As a result of Major Hills' recommendations provision has been made in the Budget of 1908 for twelve more Assistant Superintendents and two new block survey parties, besides five additional temporary surveyors for topographical work and eight clerks and draughtsmen for the head office. It is proposed to enlist the services of some non-commissioned officers of the Royal Engineers for office work, lithography, secondary and minor triangulation, and the running of initial lines of levels, but Assistant Superintendents, who are to supervise parties, will as a rule be recruited from England from a class of men of good education with a general knowledge of surveying and engineering. Such men will before embarking for Ceylon be put through a short course lasting about a month at the Ordnance Survey, and their training will be completed locally. In the meantime, as already stated, the Land Settlement Department has been strengthened by the addition of four additional Settlement Officers.

#### (G.) SHIPPING.

70. The following table exhibits the number and tonnage of vessels entering the ports of Ceylon in 1906 and 1907:—

Nationality.	1906.		1907.	
	Number.	Tonnage.	Number.	Tonnage.
All nations ... ..	3,894	6,697,329	3,836	6,657,323
British ... ..	1,829	4,625,821	1,719	4,467,307
British, Colonial ... ..	1,352	106,546	1,386	151,899
German ... ..	223	832,988	197	780,447
French ... ..	147	451,568	144	453,127
Japanese ... ..	54	191,169	112	377,238
Russian ... ..	53	136,263	43	113,955

71. According to the statistical abstract for the British Empire (1906), Colombo is the fifth largest port in the Empire:—

			Tons.
London	...	...	11,222,542
Hong Kong	...	...	11,050,070
Liverpool	...	...	8,145,441
Singapore	...	...	6,466,411
Colombo	...	...	6,281,164
Tyne Ports	...	...	5,548,111
Cardiff	...	...	5,295,331
Glasgow	...	...	1,842,416

*Colombo Harbour Dues.*

72. The total collection of harbour dues at Colombo during 1907 amounted to Rs. 1,304,265·16, an increase of Rs. 13,568·64 over 1906. A Commission sat in 1907 to consider the advisability of revising the scale of dues in view of the increased charges for interest and sinking fund that will have to be defrayed when the new loan is raised. The Commission made certain recommendations, but no changes have yet been approved.

### III.—LEGISLATION.

73. Among the new Ordinances passed during 1907 were:—

No. 3 of 1907.—“An Ordinance relating to the Registration of Titles to Land and of Deeds affecting Land.” The enactment has not, however, been put in operation yet, the Land Settlement Officers being at present fully occupied in settling claims between the Crown and the people.

No. 6 of 1907.—“An Ordinance to provide for the Destruction of Plant Pests and for the Sanitation of Plants in the Colony.” Under this law Plant Pests Boards are established in the various districts, and have considerable powers for enforcing measures for dealing with proclaimed pests. The question of compensation gave rise to much discussion, and the Ordinance as passed contains a provision whereby the Governor in Executive Council can under certain conditions order compensation to be paid to owners or occupiers who are ordered to destroy plants.

No. 8 of 1907, entitled “An Ordinance to make provision in Rural and Planting Districts for the Education of Children in the Vernacular Languages,” is designed to introduce into the rural districts of the

Island a system of compulsory education in the vernacular languages, and to impose upon superintendents of estates the obligation of providing for the vernacular education of the children of the labourers. The superintendent is required to provide for the vernacular instruction of children between the ages of six and ten, and to set apart and keep in repair a suitable schoolroom. The Ordinance in fact provides for the extension of measures which in many cases are already taken voluntarily.

- No. 17 of 1907 amends "The Joint Stock Companies' Ordinance" by allowing any Joint Stock Company in Ceylon the right to modify its memorandum of association so far as to enable it to divide its capital or any part of it into shares of smaller or larger amount than is fixed by the memorandum of association.
- No. 19 of 1907 amended the marriage law of the Colony by reducing the minimum period of residence in the Colony before notice of marriage can be given from ten days to four days.
- No. 22 of 1907 is a new general Loan Ordinance enacted at the instance of the Secretary of State for the Colonies. It provides the necessary machinery for the purpose of raising loans by short dated debentures convertible into inscribed stock at a lower rate of interest.

#### IV.—EDUCATION.

##### (A.) PRELIMINARY.

74. It is not possible to draw the same clear line between elementary and secondary education in Ceylon as can be drawn in other countries. The matter is complicated by the fact that English is a foreign language to all but a small fraction of the population; the Europeans, Burghers, and Eurasians together form a little less than 1 per cent. of the population; the Sinhalese form 65 per cent. of the total; the Tamils and Tamil-speaking Moors 33 per cent. The result is that most of the schools in which English is taught are teaching a language which is foreign to the great majority of their pupils, and the distinction between elementary and secondary education is replaced by the distinction between vernacular and English schools. The vernacular schools really constitute the elementary education of the country.

## (B.) VERNACULAR EDUCATION.

75. The following table shows the numerical progress for the last five years in the case of vernacular schools:—

Year.	Number of Government Schools.	Attendance.		Number of Aided Schools.	Attendance.	
		Boys.	Girls.		Boys.	Girls.
1903 ...	497	44,631	10,878	1,249	77,619	37,707
1904 ...	507	46,785	11,678	1,316	77,700	39,103
1905 ...	529	52,375	12,829	1,386	85,436	44,144
1906 ...	566	54,249	13,827	1,429	90,389	44,599
1907 ...	592	55,624	14,372	1,456	88,707	48,518

76. From this it appears that there were in 1907 altogether 2,048 Government and grant-in-aid vernacular schools, attended by 144,331 boys and 62,890 girls. These figures show an increase of 53 schools and 4,157 children over the corresponding figures for 1906.

77. Besides the children attending Government and aided schools, 33,669 children were reported to be receiving instruction in 1,758 unaided schools, almost all of them vernacular: the figures furnished by such schools cannot, however, be relied upon, and the education is often of very little value.

78. The total spent by Government on vernacular education was Rs. 703,887·39, of which Rs. 298,495·69 was expended on Government schools and Rs. 405,391·70 on aided schools. This gives the cost to Government of education of a child in a Government school as Rs. 4·26 or 5s. 8d. per annum, and in an aided school as Rs. 2·95 or 3s. 11d. per annum.

79. The above figures show a somewhat lower rate of progress in 1907 than in the preceding years. They are drawn up on returns furnished on June 30th in each year, and the year which ended June 30th, 1907, was one in which the conditions were exceptional. There was an unusual amount of ill-health, which in many districts had a very prejudicial effect on the attendance at schools. The increase in the number of girls attending school is a good sign.

80. Up to the end of the year no Municipality or Local Board was brought under the Town Schools Ordinance of 1906. Preparations are, however, being made to start municipal schools tentatively in Colombo and Kandy.

81. An Ordinance to make provision in rural and planting districts for the education of children in the vernacular languages was passed in 1907, and will be brought into force in 1908. The funds provided under this Ordinance will be of

great service to the local authorities, which in some parts of the Island have been hampered by great difficulties in providing and maintaining the buildings for Government schools.

(C.) ENGLISH SCHOOLS.

82. In 1907 there were 248 English and Anglo-vernacular schools attended by 34,602 pupils, of whom 29,667 were boys and 4,935 were girls. As compared with 1906, these figures show an increase of 22 schools and 1,302 pupils. In the majority of these schools the work is confined to the schedules of the Educational Code, but there are many in which the upper classes are prepared for the Cambridge Examinations, Senior and Junior, and a few in which the work of the most advanced students reaches a higher level.

83. The following were the results of the Cambridge Local Examinations, for which 897 candidates presented themselves in 1907, viz., 335 for the Senior and 562 for the Junior :—

			Candidates.		Honours.		Passes.	
			Boys.	Girls.	Boys.	Girls.	Boys.	Girls.
Senior	...	...	301	34	13	1	133	19
Junior	...	...	461	101	21	7	266	50

84. The following were the results of the London Examinations held in 1907 :—

			Candidates.	Passes.
Matriculation	...	...	36	15
Intermediate in Arts	...	...	11	7
Intermediate in Science	...	...	3	1

85. The only Government school in which higher education is given is the Royal College, at which in 1907 there were 324 pupils, with an average attendance of 299. The pupils in the upper part of the College are prepared for the Cambridge Local Examinations and the examinations of the London University as far as the Intermediate in Arts and Science. The staff consists of 19 masters, of whom five hold English University degrees. The gross cost to Government in 1907 was Rs. 50,863, of which a sum of Rs. 20,473 was recovered in school fees.

86. The other institutions in which anything that can fairly be described as higher education is given are, with two exceptions, registered as aided schools under the Code. The two

exceptions are (1) the Jaffna College, which was for some time affiliated as a first grade college to the University of Calcutta, but has now applied for registration as an aided school under the Department; and (2) the Church Missionary Society's Ladies' College in Colombo.

87. The encouragement offered by Government takes two forms: (a) Grants; (b) Scholarships:—

(a) In most of the aided English schools grants are paid on the results of examinations in the ordinary schedules of the Code, supplemented by specific subjects. But in some of the better schools the system has been replaced by one under which the greater part of the grant is paid on the average attendance. Liberal grants are also paid for every pupil who obtains honours in the Cambridge Local Examinations or who passes the London University Matriculation Examination or Intermediate Examination in Arts. The total sum expended in grants to English schools was Rs. 143,200 in 1907.

(b) Two University scholarships of £200 per annum for three years are now awarded on the results of the Intermediate Examinations of the University of London: one on the examination in Arts, the other on the examination in Science. One scholarship of Rs. 240 per annum for three years is awarded annually to girls on the results of the Cambridge Senior Local Examination. On the results of the Cambridge Junior Local Examination one scholarship of Rs. 240 per annum for three years and two of Rs. 120 per annum for two years are awarded annually to boys, and two scholarships of Rs. 120 per annum for three years are awarded annually to girls. The total sum expended in scholarships in 1907 was Rs. 13,971.

88. The Board of Education was engaged during the year in a revision of the schedules attached to the Code for Aided Schools, which has now been completed. The previous schedules were antiquated in form, and in many respects were felt to be an obstacle to intelligent teaching. The new schedules provide for Infant Departments, for instruction in English on lines corresponding to the direct method of teaching modern languages and for more practical methods of teaching arithmetic and geography.

#### (D.) TRAINING OF TEACHERS.

89. The Government Training College consists of three departments: English, Anglo-vernacular, and Vernacular. The English department is intended specially to meet the wants of aided English schools; 12 studentships of the annual value of Rs. 300 each are provided by Government. In the Anglo-vernacular and Vernacular departments students have hitherto been prepared only for work in Government schools; in 1907 there were four students in the Anglo-vernacular and 16 in the

Vernacular department. An English boys' school and an Anglo-vernacular boys' school are worked on the same premises, and serve as practising schools to the students; the staff in both these schools consists almost entirely of trained teachers. The Training College was started in 1903 in a somewhat tentative way; it has now been decided to extend its work. An enlargement of the building was begun in 1907, and will be completed during the present year; a female department for Sinhalese teachers will be added, and a Tamil department will be attached to the existing Sinhalese Vernacular department for male teachers. The numbers in the other departments will be increased. An important regulation has been added to the Code for Aided Schools, by which the second class certificate for English teachers will after the year 1909 be confined to teachers who have gone through a period of training.

(E.) TECHNICAL AND INDUSTRIAL EDUCATION; SCHOOL GARDENS.

90. Higher technical education is provided for by the Technical College, a Government institution established in 1893. In 1897 it was re-organized, and its work largely extended. It is now the regular channel of admission of Ceylonese for the following Departments of Government: Public Works, Survey, Railway, Post and Telegraph; it contains departments of civil engineering, telegraphy, surveying, and levelling. In 1907 the number of students (including Drawing students) was 256 and the gross cost to Government was Rs. 61,664, of which Rs. 5,179 was recovered in fees and by the sale of stationery, instruments, &c. New buildings, including extensive laboratories, have been erected. A Commission has (1908) been appointed by the Governor to advise *inter alia* whether the different courses at the Technical College could not be so revised that it could be incorporated with or affiliated to the Royal College.

91. There are no Government industrial schools; but carpentry schools have been attached to five Government schools in the Kandyan Provinces. In 1907 the aided industrial schools, which are 38 in number, received grants amounting to Rs. 50,862. The number of pupils was 3,105, and the trades taught were as follows: dressmaking, carpentry, printing, bookbinding, shoemaking, tailoring, blacksmiths' work, lace-making, embroidery, gardening, and masonry.

92. The most important of these schools is the Maggona Certified Industrial School, which is utilized by Government as a reformatory, and carried on by the Roman Catholic Mission. This institution has an estate of about 300 acres and excellent buildings, to the cost of which Government has contributed. At the end of 1907 the number of juvenile offenders

receiving instruction in it was 178; the trades taught were carpentry, ironwork, masonry, gardening and estate work, book-binding, and tailoring. An allowance is paid by Government for the maintenance of each juvenile offender; this is not included in the amount specified above as the grants paid for industrial schools. The total cost of the institution to Government in 1907 was Rs. 16,864.

93. In Ceylon, where 88 per cent. of the population is rural, the technical and industrial education required for the main part of the population is one which will fit them for rural and agricultural life. An attempt is being made to supply this by the scheme for school gardens, which is being carried on in connection with Government schools. There are now 132 Government schools in which gardens are being carried on under the scheme. The seeds and implements are supplied by the Department, and the gardens are visited as often as possible by the Superintendent of School Gardens and his Assistants. The work is encouraged by money prizes for the most successful school in each district.

94. Needlework in girls' schools has received much attention since the appointment of the Inspectress of Needlework in 1904. The Inspectress visits personally as many schools as she can, and marks the work done at all girls' and mixed schools throughout the Island. This has led to a marked improvement both in plain needlework and in the lace and embroidery done in industrial schools.

#### (F.) ESTATE SCHOOLS.

95. As regards aided estate schools, the figures continue to show progress; at the end of 1907 there were 105 aided estate schools, as against 90 at the end of 1906 and 78 at the end of 1905. The number of estate schools actually examined for grant was 97, as compared with 81 in 1906.

96. As in the previous year, a form was circulated to collect information from planters. Returns were received from 784 estates, and showed a total number of 6,434 children receiving instruction in schools on the estates, of whom 5,490 were boys and 944 girls. These figures will, no doubt, be considerably increased when the new Ordinance is actually brought into force.

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### V.—GOVERNMENT INSTITUTIONS.

#### (A.) HOSPITALS.

97. See under Public Health.

#### (B.) MEDICAL INSTITUTIONS.

98. These comprise a Medical College (with a Council incorporated by Ordinance No. 3 of 1905) and a Bacteriological Institute.

99. Ordinance No. 2 of 1905, providing for the registration of medical practitioners in Ceylon, was brought into force on April 1st, 1906, and December 31st, 1907, was fixed as the final day for receiving applications from native doctors, &c., not ordinarily entitled to registration.

#### (C.) ASYLUMS.

100. There are asylums in Colombo for lunatics and lepers; there is also a Home for Incurables, which, though not an official institution, receives a grant of Rs. 5,000 per annum from Government.

#### (D.) POOR-HOUSES.

101. There are no poor-houses in Ceylon. In Colombo and some other towns there are Friend-in-Need Societies for the relief of distress, and these are subsidized by Government, the Colombo subsidy being Rs. 12,000 per annum. In addition to this every Government Agent and Assistant Government Agent has an annual vote for "Allowances to Paupers;" the votes vary from Rs. 10,000 in the Colombo District to Rs. 340 in the Nuwara Eliya District; the maximum allowance is Rs. 5 a month.

#### (E.) SAVINGS BANKS.

102. There are two Government institutions, and the business of both showed a satisfactory increase in 1907:—

(1) The Ceylon Savings Bank had a sum of Rs. 4,679,480 to the credit of 33,888 depositors on December 31st, 1907, as against Rs. 4,448,117 to the credit of 33,175 depositors on the corresponding date of 1906. The amount of the Bank's invested funds was Rs. 4,969,020. Interest is allowed on deposits at the rate of 3 per cent. in sums above Rs. 1,000, and 4 per cent. on sums below that amount.

(2) Post Office Savings Bank. — Depositors' accounts increased by 4,069, and amount to credit of depositors by Rs. 219,377, the figures at the end of the year being Rs. 2,117,199 to the credit of 71,018 depositors. In 1906 the increase of accounts was 3,099 and of deposits Rs. 149,695, so that the progress in 1907 was more marked. Business is done at 158 offices, and the rate of interest is 2·40 per cent.

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## VI.—JUDICIAL.

### (A.) POLICE.

103. The authorized strength of the Police Force on December 31st, 1907, was 1 Inspector-General, 6 Superintendents of Police, 13 Assistant Superintendents of Police, 20

Inspectors, 23 Sergeant-Majors, 16 European Police Sergeants, 18 European Police Constables, 54 Station House Officers, 225 Native Sergeants, and 1,780 Native Constables. Seven members of the Civil Service are attached to the Force.

104. The cost of the Force was Rs. 1,091,745, as against Rs. 1,050,787 in 1906 and Rs. 823,227 in 1905. During the year 401 recruits were enlisted. On December 31st the force was short by 30 men, but is now (March, 1908) nearly up to strength.

105. The regular police established in the Southern, Western, and North-Western Provinces have continued to work steadily; they need experience, but promise well. The Government Agent of the Southern Province reports that there has been a marked diminution in crime since the establishment of regular police there.

### (B.) CRIME STATISTICS.

I.—*From Returns furnished by the Inspector-General of Police.*

106. The following figures show the movement of crime for the past five years:—

Year.			True Cases.	Convictions or Committals.
1903	...	...	16,769	11,492
1904	...	...	19,027	13,063
1905	...	...	16,831	11,036
1906	...	...	17,621	11,224
1907	...	...	15,555	11,550

Of the 15,555 cases in 1907, 9,935 cases were statutory offences, breaches of Municipal by-laws, and other minor offences; only 5,620 cases can be classed as serious crime, as against 5,338 in 1906.

107. The following table shows the fluctuation of the more important forms of serious crime:—

—				1903.	1904.	1905.	1906.	1907.
Murder and homicide	...	...	...	131	144	170	185	188
Rape	...	...	...	31	20	23	30	110
Robbery	...	...	...	294	280	330	382	926
Burglary	...	...	...	1,481	1,716	1,869	2,107	2,370
Grievous hurt	...	...	...	436	408	448	481	479
Theft of cattle and prædial products.	...	...	...	1,215	1,377	1,623	1,915	1,161
Arson	...	...	...	206	190	230	229	384
Riot	...	...	...	21	8	4	8	2

108. The marked decrease in cattle theft is noteworthy, and is probably due to the efforts of the new stations to break up gangs of cattle thieves. The increase in robbery is probably due to more correct registration, and the other increases are more or less normal.

109. In 83 murder cases the accused were convicted.

*II.—From Returns furnished by the Solicitor-General.*

110. The number of cases instituted in the Police Courts and Municipal Magistrates' Courts in 1907 was 82,453, as against 87,828 in 1906. The proportion of persons tried by Police Courts per 100,000 inhabitants was 1,600, as against 2,315 in 1906. The number of cases sent up for trial before the Superior Courts in 1907 was 1,708, viz., 353 before the Supreme Court and 1,355 before the District Courts. Of these, 219 ended in the conviction of one or more of the accused, and 114 in the acquittal of all the accused.

111. The cases before the Supreme Court included 147 in which the accused were charged with murder. Of these, one was withdrawn and three were pending at the end of the year. Of the remaining 143 cases, 110 resulted in the conviction of one or more of the accused (44 on the capital charge and 66 of lesser offences), and 33 in the acquittal of all the accused. Altogether 2,744 persons were committed for trial before the Superior Courts. Of these, 61 were awaiting trial at the end of the year. Of the remaining 2,683, 1,487 were convicted and 1,170 were acquitted, while 26 were discharged, the charges against them having been withdrawn.

(C.) PRISONS.

112. There was a decrease of 125 prisoners in the total number of admissions of convicted prisoners to the prisons in Ceylon during the year, excluding Road Ordinance defaulters, of whom there were 487 in 1907 as against 575 in 1906. The figures are as follows:—

1906	...	...	...	...	8,313
1907	...	...	...	...	8,188

113. Of the total admissions of convicted prisoners to prisons, the following were from the Superior Courts (Supreme and District Courts):—

1906	...	...	...	...	1,135
1907	...	...	...	...	1,296

There was therefore an increase of 161, as compared with 1906, in the number of persons convicted of more serious offences.

114. The convictions for murder and manslaughter were 126, as against 127 in 1906.

115. There was a large increase in the number of capital sentences carried out:—

					Sentenced to	
					Death.	Hanged.
1906	...	...	...	...	54	26
1907	...	...	...	...	59	44

Of the 59 sentenced to be hanged in 1907, 49 were Sinhalese, nine Tamils, and one Moor; 45 out of the 59 sentences were confirmed, 13 were commuted, and one was pardoned.

116. The total number of deaths in jail was 121, as against 118 in 1906. There was no serious epidemic of any kind. The average daily sick-rate for the year was 101, as against 134 in 1906—a very satisfactory decrease.

117. The number of punishments for prison offences inflicted on prisoners increased from 1,971 in 1906 to 2,308 in 1907. The number of individuals punished also increased from 1,771 in 1906 to 2,013 in 1907. Corporal punishments also increased from 109 in 1906 to 128 in 1907. The increases in the number of punishments, both corporal and “others,” is attributed to the substitution of husk-beating and stone-breaking tasked labours, which were very much disliked by the prisoners, in lieu of “pingo drill.”

118. The chief feature of the year was the successful efforts made to substitute productive for unproductive labour. In Welikada coir door rugs, matting, brooms, and brushes of all descriptions are made. Rattan furniture making has proved a success. Boot-making machines have been obtained from England, and the boot and shoe department now supplies all boots and shoes required by the officers for uniform and for the European and Burgher prisoners. The blacksmiths', tin-smiths', and carpenters' parties have been extended, and all articles required in the jails of the Island are made by prison labour. The Railway and Government Stores are also supplied with such articles as they may order. The tailors' department makes up the whole of the clothing required for officers' uniforms and for the prisoners. Repairs, alterations, and additions to jail buildings and officers' quarters in Colombo and other jails are performed by prison labour, the materials being supplied by the Public Works Department. At Negombo a basket industry has been started, and the Public Works Department, Railway, and Government Stores are supplied with jail-made goods made by convalescent prisoners who are unfit for hard labour. The estimated value of remunerative labour performed by prisoners was Rs. 323,266.

## VII.—VITAL STATISTICS.

## (A.) POPULATION.

119. The population enumerated at the Census (March 1st, 1901) was 3,565,954, exclusive of the military, the shipping, and the South African prisoners of war. The natural increase by excess of births over deaths from that date to the end of the year 1907 amounted to 234,058, while the number of Indian immigrants exceeded the number of emigrants by 188,052. The population estimated to the end of 1907 was accordingly 3,988,064, an increase, as compared with the population at the end of 1906, of 3,079 persons, and equal to a rate of .08 per cent. The increase is much less than usual, being one-eleventh of the increase in 1906 compared with 1905. This was due to the excess of departures over arrivals of immigrant coolies in 1907. In the last twenty years there has been only one other year in which the departures exceeded the arrivals.

*Birth and Death Rates.*

120. The births registered during the year numbered 130,403, and were in the proportion of 32.8 per 1,000 persons living. The registered deaths numbered 119,377, and were equal to a rate of 30.1 per 1,000 of the population. Compared with 1906, the birth-rate shows a decrease of 2.9 per mille, and the death-rate a decrease of 4.2 per mille. Compared with the average rates for the nine years 1898-1906, the birth-rate shows a decrease of 5.5 per mille, and the death-rate an increase of 1.9 per mille.

## (B.) PUBLIC HEALTH.

121. The public health during 1907 showed a marked improvement on the previous year, which was one of the worst on record. There was an absence of widespread malaria, and the outbreaks of cholera and smallpox did not attain large proportions.

122. The greatest number of deaths occurred, as usual, under diseases of the gastro-intestinal canal; deaths under "Fevers" came next. There were 72 registered deaths from cholera and 24 from smallpox. There were 105 cases of cholera and 126 cases of smallpox in 1907, as against 756 and 287 respectively in 1906.

123. In the hospitals of the Island, of which there are 69, including asylums, there was a daily average sick of 4,175, as against 4,443 in the previous year. The number of parangi cases decreased in 1907. There were only two diseases which showed an increase in admissions during this year over 1906, viz., enteric fever and anchylostomiasis.

124. The following is a comparative statement of the number of admissions and deaths for the principal diseases in hospitals for 1906 and 1907:—

	1906.		1907.	
	Cases.	Deaths.	Cases.	Deaths.
Anchylostomiasis ... ..	3,206	788	3,831	888
Chickenpox ... ..	2,677	1	2,441	2
Cholera ... ..	756	449	105	62
Dysentery ... ..	4,788	1,649	3,474	1,264
Enteric Fever ... ..	615	165	696	157
Leprosy ... ..	570	73	516	73
Malarial Fever ... ..	11,159	206	7,164	167
Parangi ... ..	3,958	41	3,513	45
Smallpox ... ..	287	69	126	24

125. Vaccination.—During the year 173,128 subjects were vaccinated. The percentage of successful primary vaccination cases to total inspected was 89·94, while the percentage of successful re-vaccination cases was 82·32.

126. Prevention of Malaria.—(i.) Owing to the excessive rainfall and the presence of large masses of water in the form of lagoons, canals, and paddy fields, Ceylon presents insurmountable difficulties in the way of a complete campaign against malaria. The weapons mainly used against the spread of this disease are the education of the people and the free distribution of quinine as a prophylactic.

(ii.) All school children are taught the rudiments of the prevention and cause of malaria, and they are given quinine regularly twice a week just before and during the rains. Free quinine is also distributed to the inhabitants by the headmen of remote villages, and by the officers of the Government hospitals and dispensaries where these are established.

(iii.) During the year many thousands of pamphlets dealing with the prevention of malaria have been distributed in various languages, and medical officers and apothecaries have given popular lectures on the same subject.

127. Plague.—Fortunately the Island continues free from the ravages of plague, and no case has been brought to the Island. Ceylon's freedom from plague may be attributed to the following circumstances: it is not a terminal port, ships do not come alongside a quay, and cargo lighters are regularly disinfected and kept free from rats.

#### (C.) SANITATION.

128. The sanitation of large towns is in the hands of municipalities, and in smaller towns in the hands of Boards of Health. The general expense of scavenging, &c., is met from

rates recovered locally, and loans are made occasionally to the local bodies for larger works of permanence, such as water supply, construction of drains, &c., the cost of which they are unable to meet in a lump sum. At present in the municipal towns the dry-earth closet system is in operation, the solid matter being collected nightly in carts for disposal at depôts outside the towns. (See also under head Public Works, (E) Colombo Drainage Works.)

(D.) METEOROLOGY.

129. The year 1907 was under the average as regards rainfall, but was distinguished by a number of cyclonic storms. In March a cyclone of considerable violence for Ceylon visited the east of the Island and caused extensive damage to coconut plantations, thousands of trees being destroyed. On October 1st a sudden storm, accompanied by heavy rain, resulted in a large landslip near Watawala, a portion of the railway line being carried away, the line being blocked for five days. On December 15th a cyclonic storm, accompanied by heavy rain, occurred between Dambulla and Anuradhapura. A number of tanks overflowed and had their bunds damaged, and a portion of the railway track in the North was carried away, the traffic being interrupted for some days.

130. The highest recorded rainfall was at Ratnapura, 138·36 inches, which was 12·10 inches below the average; the lowest at Hambantota, 33·64 inches, or 3·49 inches below the average. The rainfall in Colombo was 16·03 inches below the average, and at Kandy 7½ inches. The hottest station, taking the mean temperature of night and day of all the year round into account, was Jaffna, 82·6°. The coolest was Nuwara Eliya, 59·1°. Colombo and Kandy were 80·1° and 75·8° respectively.

VIII.—POST AND TELEGRAPH.

131. The total number of offices open in 1907 was 397; of these, 158 were Post Offices and 239 were Receiving Offices. Of the 158 Post Offices, 105 are also Telegraph Offices.

132. A comparison of the revenue and expenditure for the years 1906 and 1907 shows—

—					1906.	1907.
					Rs.	Rs.
Revenue	...	...	...	...	1,249,046	1,353,202
Estimated value of work done for Government					250,560	246,507
Total					1,499,606	1,599,709
Expenditure	...	...	...	...	1,455,164	1,483,502
Balance					44,442	116,207

133. The total estimated number of articles, exclusive of parcels, which passed through the post during the year exceeded  $30\frac{1}{4}$  millions, against  $29\frac{1}{4}$  millions in 1906 and  $26\frac{1}{4}$  millions in 1905. The business done in parcels is shown as follows:—

—	1906.	1907.
Total number of parcels ... ..	458,848	503,507
Inland value-payable parcels ... ..	82,435	98,117
Indian value-payable parcels ... ..	69,278	75,951
Collected from addressees of value-payable parcels.	Rs. 851,055	Rs. 867,587

134. The “snow ball” system of trading by post, which has now been checked by the Indian Postal authorities, resulted in 19,265 value-payable parcels from India being refused by the addressees and returned to India.

135. The following are the figures for Money Orders:—

—	1906.		1907.	
	No.	Value. Rs.	No.	Value. Rs.
Inland ... ..	270,059	7,158,908	292,422	8,062,074
Indian ... ..	156,514	4,379,922	174,231	4,751,428
United Kingdom ... ..	10,862	373,523	10,547	382,710
Colonial and Foreign ... ..	10,781	644,799	11,487	768,307
Total ... ..	448,216	12,557,153	488,687	13,964,518

The slight decrease in money order business with the United Kingdom is due to the increase in British Postal Orders.

136. The business done in Postal Orders is shown below:—

—	1906.		1907.	
	No.	Value. Rs.	No.	Value. Rs.
Inland ... ..	53,488	Rs. 175,898	58,463	Rs. 192,112
British ... ..	9,854	£6,036	35,445	£10,248

137. The total number of telegrams was 807,996 in 1907 against 759,571 in 1906, an increase of 48,425 against an increase of 41,997 over 1905. Foreign telegrams (other than those sent to India) showed an increase of 17 per cent., against 10 per cent. in the previous year.

138. The number of miles of wire and of postal telegraph offices and railway telegraph stations is shown below :—

	1906.	1907.
Miles of wire ... ..	3,470	3,651
Number of postal telegraph offices ... ..	100	106
Railway telegraph stations ...	106	107

#### *Postage Rates.*

139. The unit of weight by the foreign post was raised from  $\frac{1}{2}$  oz. to 1 oz., and the second rate on foreign letters reduced from 15 cents to 9 cents from October 1st, while the rates on foreign printed matter, patterns, and samples were slightly altered, with effect from January 1st, 1908, in order to bring them into conformity with the Postal Union regulations.

140. A general revision of the inland postage rates was sanctioned during the course of the year. The main features of it were the raising of the unit of weight for letters from 1 oz. to 4 oz., the reduction of rates on parcels between 1 lb. and 11 lb., the removal of the limit of weight on registered newspapers, and an increase in the rates for other printed matter, which has hitherto been carried at unremunerative rates. The new inland rates are on the lines of the postal rates in the United Kingdom. These alterations come into effect on January 1st, 1908, and the same rates will be extended to India from the same date. A reduction has also been made in the insurance rates on parcels to India, bringing them into line with the rates for insured letters.

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### IX.—MILITARY EXPENDITURE.

141. The total expenditure of the year was Rs. 1,601,310, as against Rs. 2,868,478 in 1906, or a decrease of Rs. 1,267,168. The colonial contribution for regular troops ( $9\frac{1}{2}$  per cent. on the revenue so long as that sum does not exceed three-fourths of the cost of the garrison for that year) amounted to Rs. 1,350,295, as against Rs. 2,526,240 in 1906. The decrease under this head is accounted for by the fact that during the whole year Ceylon had a Native Infantry Regiment (viz., the 75th Carnatic Infantry Regiment, which succeeded the 2nd Battalion Worcestershire Regiment), the cost of which was less than that of a British Regiment.

142. The strength of all arms of the Volunteer Force on December 31st, 1907, was 1,904, exclusive of 463 members of the Cadet Battalion of the Ceylon Light Infantry, and of these, 1,720 or 90 per cent. were classed as efficient.

The annual camp was held for the fifth time at Diyatalawa, and lasted from July 11th to 20th. The attendance was higher than that of 1906.

The establishment of the Ceylon Mounted Rifles was increased during the year from 160 to 200.

The strength of the Ceylon Planters' Rifle Corps is practically the same as last year.

The Ceylon Volunteer Medical Corps is regaining its position as to numbers and efficiency.

The Volunteer Force was inspected by the Duke of Connaught, Inspector-General of the Forces, in March, and His Royal Highness expressed his approval at the result of the inspection.

The standard of musketry efficiency attained in 1906, which was high, has been maintained.

The expenditure on Volunteers during 1907 amounted to Rs. 239,247, as against Rs. 285,987 in 1906.

## X.—PUBLIC WORKS.

### (A.) PUBLIC WORKS DEPARTMENT.

143. The expenditure of the Public Works Department during the last two years may be compared as follows:—

—	1906.	1907.
	Rs.	Rs.
Personal Emoluments ... ..	558,897	533,049
Other Charges ... ..	83,010	89,857
Public Works Annually Recurrent ... ..	2,582,398	2,648,741
Public Works Extraordinary ... ..	1,901,588	1,929,416
Works chargeable to Loans, &c....	133,083	227,081
Total ... ..	5,258,976	5,428,144

144. The total expenditure of the Public Works Department has steadily increased during the last ten years from Rs. 4,190,003 in 1898 to Rs. 5,428,144 in 1907.

145. The total length of roads maintained by the Public Works Department during the year was 3,763 miles, of which 3,423 miles are cart roads and 340 miles are bridle roads. The construction of cart roads where required is receiving the close attention of Government, and the hospital accommodation throughout the Colony is being largely increased.

(B.) COLOMBO HARBOUR WORKS.

146. The total expenditure upon the works during 1907 amounted to Rs. 1,725,611·40, and the total expenditure since the commencement of the South-west Breakwater in 1873, including maintenance charges, &c., amounted to Rs. 37,979,274·98.

*New Arm, South-west Breakwater.*

147. Preliminary work on the foundations commenced as soon as weather permitted in October, and up to the end of the year 19 blocks were set. Owing to the exposed position the work presents considerable difficulties, and it is estimated that it will not be finished for five or six years.

*Graving Dock.*

148. The Dock was occupied on nine occasions during the year. The revenue amounted to Rs. 23,947·19, and the expenditure to Rs. 34,738·52. A start was made on the north guide pier in November. It is hoped that a considerable length of the total 800 feet will have been completed before the arrival of the south-west monsoon of 1908.

*Patent Slip.*

149. The slip was used on twenty-nine occasions, producing a revenue of Rs. 33,532. The working expenses amounted to Rs. 10,066·94.

*New Projects.*

150. During the year borings were taken opposite the present Harbour Works yard with a view to framing an estimate of cost of two jetties which could be used for berthing large steamers. The estimate is now being prepared by the Consulting Engineers. Consideration of the proposed Wet Dock has been postponed, there being no pressing need for increased harbour accommodation at present.

(C.) RAILWAY DEPARTMENT.

*(Open Lines.)*

151. The total length of railways open at the end of 1907 was 562 $\frac{1}{8}$  miles.

152. The receipts for the year amounted to Rs. 10,695,430, being Rs. 591,835 in excess of the preceding year; to this increase goods traffic contributed more than half, viz., Rs. 327,640; ordinary passenger receipts increased by Rs. 239,823. The increases in goods traffic were principally on rice, manure, machinery, bridge and building materials, food stuffs, tea, cacao, fruits, and vegetables.

153. The actual working expenses for 1907 (excluding expenditure on new works, &c.) were Rs. 5,362,470, as compared with Rs. 5,233,269 in 1906.

154. The result of the year's working was therefore as follows:—

	Rs.
Receipts ... ..	10,695,430
Working expenses ... ..	5,362,470
	<hr/>
Profit ... ..	5,332,960

155. Of this profit, the sum of Rs. 1,116,200 was expended in providing additional accommodation, rolling stock, increased safety appliances, &c.

156. The total capital cost of the railway, including additional accommodation provided, up to December 31st, 1907, amounted to Rs. 84,011,755. The profit on the capital cost of the railway, including additional accommodation, to December 31st, 1907, was therefore 6·35 per cent. The capital outstanding on loans on January 1st, 1907, was Rs. 39,154,126.

157. The results of the year's working may be considered satisfactory, for whilst the gross receipts exceeded last year's total by Rs. 591,835, the working expenses were only increased by Rs. 128,544, and this notwithstanding heavy expenditure in 1907 on works for the prevention of slips and washaways and damage by floods. The result in fact reflects the prevalent prosperity in the Island.

158. The sanctioned scheme for the provision of additional goods vehicles, to bring the stock up to a more satisfactory level for dealing with the traffic, was completed during the year by the supply of 30 four-wheeled covered goods waggons, 12 iron high-sided waggons, and six bogie low-sided waggons. Twelve additional high capacity waggons for coal and firewood were also ordered from home and delivered at the end of the year.

159. Additions were also made to the passenger stock, including 2 bogie brake refreshment cars lit by electric light and a complete suburban block train also electrically lit. Steady progress is being made in the installation of Stone's electric light in carriages in lieu of the old-fashioned and unsatisfactory oil lamps. Six suburban tank engines of a new and powerful type were obtained from home to replace old and obsolete engines. Important additions were made to the locomotive workshops and machinery therein in pursuance of the policy of bringing these thoroughly up to date with labour-saving plant.

160. Very little trouble was experienced during the year by slips and washaways on the main line, the only serious case being a slip at Watawala on October 2nd, which blocked the

line for five days. Heavy rain on the northern line on and from December 15th caused serious damage, and interrupted traffic totally for a day and partially for several days more.

### *Colombo Stations Extension.*

161. This important scheme, which includes the rebuilding and enlargement of the Maradana Junction station, an extension of the goods yard, new running sheds, and the duplication and deviation of the main line across a portion of reclaimed lake, and the construction of a new Fort station for the business centre of the city, made substantial progress during the year. The new Maradana station is well advanced, and six acres have been reclaimed from the lake for the goods yard extension. The total estimate for the whole work, which is being charged against loan funds, is Rs. 4,447,145, out of which Rs. 1,320,860 had been spent up to the end of 1907.

### RAILWAY EXTENSION.

#### *Negombo Railway.*

162. The construction of the railway to Negombo, for which sanction had been obtained towards the end of 1906, was taken in hand, the first sod being turned by Sir Henry Blake, G.C.M.G., at Negombo, shortly before he relinquished office. This extension will be on the broad gauge, and will connect with the present main line at Ragama. Practically it will form an extension north of Colombo of the present Sea Coast Railway to Galle and Matara. It is being constructed out of General Revenue. The total estimate is Rs. 1,641,471, out of which Rs. 254,622 was spent in 1907.

#### *Ratnapura Railway.*

163. A re-survey of the proposed branch narrow gauge line from Avisawella to Ratnapura was made during the year for the purpose of revising the grading and curvature. The estimated cost of the revised trace is calculated by the consulting engineers at Rs. 2,953,408. With the development of rubber cultivation in the neighbourhood, the estimated receipts are now considerably more than they were when the project was first put forward, and the consulting engineers anticipate that there will be a profit of some Rs. 44,000 per annum, after payment of working expenses and interest and sinking fund at 4½ per cent. The extension has now (1908) been finally sanctioned by the Secretary of State, and the work of construction will shortly begin. The cost will be met from loan funds.

*Mannar Railway.*

164. Sanction has been received for the survey of this all-important link of communication with South India, and the work is now in hand. The estimate is expected to be completed by about October, 1908. It has been decided that the line, if constructed, shall branch off from the main line at Madawachchi.

*Badulla-Passara Railway.*

165. A detailed survey and estimate of an extension of the main line from Bandarawela to Badulla and Passara was made during the year. Two estimates have been framed, one for a broad gauge railway to Passara throughout (Rs. 9,254,641), the other for a broad gauge to Badulla and a narrow gauge to Passara (Rs. 7,802,500), but the working expenses of the mixed gauge would be considerably higher than those of the broad gauge. It remains to be seen whether it is possible to fix rates which will result in a profit sufficient to cover the interest and sinking fund on so large an expenditure.

## (D.) IRRIGATION.

166. The expenditure on construction in 1907 was Rs. 415,452, as against Rs. 481,629 in 1906. An extent of 1,704 acres of new land was opened for irrigation in 1907, of which 575 acres were in the Southern Province, 461 acres in the Eastern Province, and 470 acres in the North-Central Province. A large amount of work was done during 1907 in preparing contoured plans of the areas irrigated by various works, both old and recently constructed, and in the preparation of accurate specifications of the lands irrigated and irrigable by each scheme.

## (E.) COLOMBO DRAINAGE WORKS.

167. Messrs. Mansergh & Sons' scheme for the drainage of Colombo has been in course of construction since 1904. The whole scheme is estimated to cost about 20½ million rupees, and up to the present an expenditure of Rs. 5,200,000 has been sanctioned for dealing with the area which at present drains into the harbour, containing about one quarter of the population; and a further expenditure of Rs. 1,500,000 has been approved for extending the main sewer to intercept partially the sewage which at present drains into the lake in the centre of the city.

168. Sewers are being laid in all the principal streets, gravitating to a pumping station near the harbour, where the sewage will be lifted into a main sewer and led away about 2¼ miles to a terminal pumping station and bacterial treatment

works, whence the purified effluent will be discharged into the Kelani river near the Victoria bridge. The sewers are capable of taking six times the dry weather flow of the sewage, and separate drains are being provided for dealing with heavy rainfall.

169. The total length of sewers and rain water drains completed up to December 31st, 1907, amounted to  $16\frac{1}{2}$  miles, showing a progress of  $6\frac{1}{4}$  miles during the year. At the harbour pumping station all the heavy works up to ground level have been completed. At the northern pumping station and treatment works all the deep excavations have been finished, and building operations have been commenced in the foundation of the pumping station; the storm water beds and outfall channel are well advanced. Altogether about 187,000 cubic yards of excavation has been done; and about 22,250 cubic yards of concrete and masonry and  $13\frac{1}{2}$  miles of stoneware pipes have been put in place.

170. The total expenditure up to December 31st, 1907, amounted to Rs. 2,896,955·36, of which Rs. 996,742·38 was expended during 1907. In December, 1907, 2,421 men were employed upon the works, as against 1,467 in December, 1906.

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## XI.—GENERAL OBSERVATIONS.

### (A.) IMPORTANT EVENTS.

171. Their Royal Highnesses the Duke and Duchess of Connaught, accompanied by the Princess Patricia, honoured Ceylon with a visit in the early part of the year. His Royal Highness, as Inspector-General of the Forces, inspected the military forces in the Colony, and paid a visit to the Diyatalawa Camp. He also unveiled the statue erected at Kandy by the planters of Ceylon to the memory of Ceylon Volunteers who fell in the South African War.

172. Ceylon was also visited by His Majesty the King of Siam, who spent some days in the Island.

173. The news of the death of Lady Ridgeway, wife of Sir West Ridgeway, G.C.B., G.C.M.G., who was Governor of the Colony from 1896 to 1903, was received with great regret by the people of Ceylon. A number of ladies, representative of the different communities of the Island, have collected some Rs. 40,000, and it is proposed to build a hospital for children in memory of the deceased lady.

174. A commencement was made with the building of an observatory in Colombo, and by the time this report is published the construction should be about finished. The observatory will be in direct charge of the Surveyor-General, and its erection will remove the reproach from Colombo of being the only port of any importance within the British Empire unprovided with accurate time signals for the use of its shipping. The immediate work which the observatory will undertake will be the supply of correct time to the harbour three times a day through a time ball which will be erected on the Pilot's tower. The meteorological instruments, which have been working at the Surveyor-General's office under most unsatisfactory conditions for the past few years, will also be transferred to the observatory grounds, as well as the seismograph, which has been temporarily erected at the Technical College. It is hoped that, by gradual accession of fresh instruments, Ceylon will eventually take a place commensurate with its importance in the international scheme for the advancement of astronomical and meteorological science, for which it is so conspicuously suited by its geographical position.

175. A cyclone of exceptional severity for Ceylon caused great damage in the east of the Island in March, 1907, and coconut cultivation, which is the principal agricultural industry in that district, will take some years to recover. Thousands of trees were uprooted, and the total damage was variously estimated at from Rs. 4,000,000 to Rs. 6,000,000. As the fallen trees threatened to become a grave source of danger by affording breeding ground for beetles and other pests, Government voted Rs. 100,000 towards the destruction of the trees, and appointed a special officer to supervise the work.

#### (B.) PUBLIC SERVICE.

176. Sir Henry Blake, G.C.M.G., who had been Governor since December 3rd, 1903, relinquished the administration on July 11th, 1907, and was succeeded by Sir Henry McCallum, G.C.M.G., A.D.C., late Governor of Natal, who arrived in the Colony on August 24th.

177. The Hon. Mr. Hugh Clifford, C.M.G., Colonial Secretary of Trinidad, was appointed to succeed the late Sir Alexander Ashmore, K.C.M.G., as Colonial Secretary, and assumed duties on May 18th, relieving the Hon. Mr. G. M. Fowler, C.M.G., who had acted as Colonial Secretary from the time of Sir Alexander Ashmore's death. Mr. Clifford administered the Government during the period between the departure of Sir Henry Blake and the arrival of Sir Henry McCallum.

178. Mr. Bernard Senior, I.S.O., late Auditor-General of the Orange River Colony, was appointed to the newly created post of Colonial Auditor.

**(C.) IMMIGRATION.**

179. The number of immigrant labourers for the year 1907 was 58,724, as against an average of 103,000 during the five preceding years. There can be no doubt that there is increasing demand by other colonies for the services of the South Indian coolies, and that additional inducements are required to retain for Ceylon her position among the competitors. A representative Labour Commission has been appointed to inquire into and advise upon this important but complicated question.

**(D.) OPENINGS FOR INVESTMENT OF CAPITAL.**

180. Rubber, coconut, tea, and plumbago are the chief openings for investment of capital. In the Western and Central Provinces the area of land at the disposal of the Crown for sale is rapidly shrinking, but in the rest of the Island, and notably in Uva, the North-Western, and the Southern Provinces, large tracts are available.

**(E.) GENERAL CONDITION OF THE COLONY.**

181. The general condition of the Colony is one of steady prosperity. The staple agricultural products are in a sound position, and the export of rubber is rapidly increasing. The general rise in material well-being and the standard of comfort is reflected in the ever-increasing value and variety of imports.

**(F.) SOCIAL AND MORAL CONDITION OF THE PEOPLE.**

182. The complaint that education results in the educated classes leaving the country for the town finds many echoes in the reports of the Government Agents in Ceylon. "The educated man no longer lives upon or cultivates his land; he either leases it or works it with hired labour, while he himself enters the Government service or becomes a clerk in a mercantile firm." "The education given is only good in that it supplies the possessor with an instrument to assist him in competing for employment and endeavouring to alter his position from that of an agriculturist to that of a clerk or mechanic." "The tendency seems to be to create a distaste for an agricultural life, which after all is the only occupation open to the great majority of the people."

183. The moral condition of the people is better than statistics would lead one to believe. In the North the people are law-abiding and peaceful, and crime is rare; in the Central Province crime is reported to be decreasing; while in the Chilaw District of the North-Western Province there is said to be an absence of really serious crime. In the low-country maritime Provinces—i.e., Western and Southern—crimes of violence are still common, but the Southern Province

shows a distinct improvement, and up to the present a single Magistrate has presided over the Police and Municipal Courts of the city of Colombo, with a cosmopolitan population of nearly 200,000. It must be remembered that the inhabitants of Ceylon are extremely litigious and prone to bringing false charges against their enemies, and it must not be presumed that the heavy work in the courts connotes a proportionate prevalence of serious crime.

A. R. SLATER,  
Assistant Colonial Secretary.

April 10th, 1908.

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## COLONIAL REPORTS.

The following recent reports relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

### ANNUAL.

No.	Colony &c.	Year.
528	Bermuda ... ..	1906
529	Gibraltar ... ..	"
530	Northern Territories of the Gold Coast ... ..	"
531	Sierra Leone ... ..	"
532	Colonial Survey Committee ... ..	1906-1907
533	Weihaiwei ... ..	1906
534	Gold Coast ... ..	"
535	Malta ... ..	1906-1907
536	Gambia ... ..	1906
537	British Central Africa Protectorate ... ..	1906-1907
538	Bechuanaland Protectorate ... ..	"
539	Leeward Islands ... ..	"
540	Straits Settlements ... ..	1906
541	Turks and Caicos Islands ... ..	"
542	Somaliland Protectorate ... ..	1906-1907
543	Bahamas ... ..	"
544	Barbados ... ..	"
545	Trinidad and Tobago ... ..	"
546	Grenada ... ..	"
547	Mauritius ... ..	1906
548	Fiji ... ..	"
549	Jamaica ... ..	1906-1907
550	British Guiana ... ..	"
551	Northern Nigeria ... ..	"
552	British Honduras ... ..	1906
553	St. Lucia ... ..	1906-1907
554	Southern Nigeria ... ..	1906
555	St. Vincent ... ..	1906-1907
556	Basutoland ... ..	"
557	East Africa Protectorate ... ..	"
558	Uganda Protectorate ... ..	"
559	Swaziland ... ..	"
560	St. Helena ... ..	1907

### MISCELLANEOUS.

No.	Colony &c.	Subject.
45	East Africa Protectorate ...	Geology.
46	Northern Nigeria ...	Mineral Survey (1904-5).
47	Do. do. ...	Do. (1905-6).
48	Nyasaland Protectorate ...	Do. (1906-7).
49	East Africa Protectorate ...	Veterinary Department.
50	British Colonies, &c. ...	Cotton cultivation.
51	Southern Nigeria ...	Forest Administration.
52	South Africa ...	Native Education.

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1908.





COLONIAL REPORTS—ANNUAL.

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No. 604.

CEYLON.

---

REPORT FOR 1908.

(For Report for 1907, *see* No. 561.)

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Presented to both Houses of Parliament by Command of His Majesty.  
*July, 1909.*

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1909.

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No. 604.

## CEYLON.

(For Report for 1907, *see* No. 561.)

---

THE GOVERNOR TO THE SECRETARY OF STATE.

The Queen's House, Colombo, Ceylon,

26th May, 1909.

MY LORD,

I HAVE the honour to forward herewith, for Your Lordship's information, the usual report on the Ceylon Blue Book for 1908, prepared by the Second Assistant Colonial Secretary.

I have, &c.,

HENRY MCCALLUM,

Governor, &c.

The Right Honourable,

The Earl of Crewe, K.G.,

&c.,      &c.,      &c.

---

## REPORT ON THE CEYLON BLUE BOOK OF 1908.

## I.—FINANCIAL.

## (A.) GENERAL REVENUE AND EXPENDITURE.

*Revenue.*

The revenue in 1908 amounted to Rs. 35,572,849, which was Rs. 27,151 less than the estimate, Rs. 1,000,976 less than the revenue of 1907, and Rs. 819,392 more than the ordinary expenditure, exclusive of the amount charged to surplus balances, or Rs. 540,794 more than the total expenditure of the year.

The following table shows the rapid growth of the Ceylon revenue during the last decade:—

Year.	Revenue	Expenditure.	Excess of Revenue as compared with previous Year.	Surplus of Revenue over Expenditure.
	Rs.	Rs.	Rs.	Rs.
1899 ...	25,913,141	24,950,940	774,472	962,201
1900 ...	27,325,930	25,321,988	1,412,789	2,003,942
1901 ...	26,437,102	25,896,594	—	540,508
1902 ...	28,435,158	26,341,878	1,998,056	2,093,280
1903 ...	29,423,308	26,714,828	988,150	2,708,480
1904 ...	30,846,694	32,019,393	1,423,386	1,172,699*
1905 ...	34,395,336	29,736,899	3,548,642	4,658,437
1906 ...	35,030,661	32,644,215	635,325	2,386,446
1907 ...	36,573,825	32,591,522	1,543,164	3,982,303
1908 ...	35,572,849	35,032,055†	—	540,794

° Deficit.

† Includes Rs. 278,597 from surplus balances.

The following is a comparative statement showing the actual revenue collected in 1907 and 1908:—

	Revenue of 1907.	Revenue of 1908.	Nett Increase.	Nett Decrease.
	Rs. c.	Rs. c.	Rs. c.	Rs. c.
1. Customs .. .. .	9,189,922 57	8,993,111 76	—	196,810 81
2. Port, Harbour, Wharf, and Light-house Dues.	2,136,632 39	2,186,626 23	50,993 84	—
3. Licences, Excise, and Internal Revenue not otherwise classified.	7,959,763 73	7,777,187 17	—	182,576 56
4. Fees of Court or Office, Payment for Specific Services, and Reimburse-ments-in-Aid.	1,543,287 83	1,528,934 53	—	16,353 30
5. Post and Telegraphs .. .. .	1,341,193 92	1,416,194 94	75,001 02	—
6. Government Railway .. .. .	10,741,008 19	10,917,929 57	176,921 38	—
7. Interest .. .. .	731,501 30	749,799 78	18,298 48	—
8. Miscellaneous Receipts .. .. .	531,012 63	509,163 69	—	21,848 94
Total .. .. .	34,173,322 56	34,076,947 67	321,214 73	417,599 61
9. Land Revenue (exclusive of Land Sales).	486,431 06	471,770 78	—	14,660 28
10. Land Sales .. .. .	1,914,071 27	1,624,130 84	—	889,940 43
Total .. .. .	36,573,824 89	35,572,849 29	—	1,000,975 60

The revenue of 1908, though less than that of the previous year by a little over a million rupees, is only Rs. 27,151 less than the estimated revenue for the year, and is the second highest of the decade. An analysis of the different sources of revenue shows that there were deficiencies on the estimated revenue of over four and a half lakhs in Import and Export Duties, of three lakhs in the Arrack, Rum, and Toddy Rents, of over one lakh in the Land Revenue, and of two and a half lakhs in Land Sales, making altogether a deficiency of nearly eleven and a half lakhs.

There were increases of over one lakh under Post and Telegraphs, two lakhs under Railway Receipts, and nearly one lakh under the head Interest. The revenue of 1908 may be regarded as very satisfactory when it is considered that the figures may be taken to represent the revenue of the Island during an ordinary year, when there was no special activity in trade.

Two and a half lakhs of the decrease were due to a falling off in Land Sales, which cannot be regarded as a fall in revenue.

In 1906, and to a certain extent in 1907, there was a very large demand for land owing to the rubber boom, and to take advantage of the demand and stimulate the opening up of land in rubber sales were pushed on. At the present time there is no need to push land sales. There is always a steady demand for land, and as the country becomes more and more opened up by railways land rises in value. Land revenue should be kept apart from the ordinary sources of revenue; it represents capital rather than income.

The decrease of four and a half lakhs in Import and Export Duties was principally due to a very large falling off in the import duties on grains, caused by the prospect of a bad monsoon in India, which sent up the price of rice, and led merchants here to keep their stock of imported rice as low as possible. If a result has been an increased consumption of local grain, this decrease in import duties may be welcomed as likely to support the policy of making the people of this country more self-dependent for their staple food. The decrease of three lakhs in the Arrack, Rum, and Toddy Rent was due largely to instalments of rent not being paid within the year.

The increases on the estimated revenue were in branches which correspond with material prosperity and increased business. More money was spent on postage and telegrams and on travelling.

The surplus fund of the Colony at the end of the year amounted to Rs. 16,694,979. The greater part of this sum has, however, been advanced to meet expenditure on certain large public works which are really chargeable to the loan account of the Colony, *e.g.*, Harbour Works, completion of the 1899 Railway Extension Programme, Colombo Railway Extensions Scheme, Duplication of Colombo Water Main, and Irrigation. The total amount advanced on account of these works up to the end of 1908 is Rs. 11,912,911. The accumulations of the surplus fund have enabled the Colony to defer borrowing money while the money market was in an unsettled state. As soon as loan funds are

available to release these surplus fund advances, the Secretary of State has sanctioned a large portion of this fund being devoted to certain other public works which are urgently required, but which as they are not of a directly remunerative character cannot properly be constructed out of borrowed money.

### *Expenditure.*

The ordinary expenditure of 1908 amounted to Rs. 35,032,055, or Rs. 1,267,380 less than the estimated expenditure.

The savings on the estimate were chiefly under Public Works Extraordinary Rs. 640,966, and Rs. 209,761 under Railway Works Extraordinary. The staff of the Public Works Department has not been increased for many years, and its present spending power is evidently not capable of much further expansion without special and temporary arrangements.

The following is a comparative statement of expenditure for 1907 and 1908:—

Heads of Service.	1907.		1908.		Increase.		Decrease.	
	Rs.	c.	Rs.	c.	Rs.	c.	Rs.	c.
1. Public Debt .. .. .	3,651,063	5	3,667,166	41	16,103	36	—	—
2. Military Expenditure .. .. .	1,601,310	41	1,978,998	55	377,688	14	—	—
3. Pensions .. .. .	1,482,652	47	1,606,539	22	115,886	75	—	—
4. Ecclesiastical .. .. .	8,309	71	3,409	80	—	—	4,899	91
5. Exchange .. .. .	81,628	74	85,261	67	3,632	93	—	—
6. His Excellency the Governor .. .. .	179,772	46	181,519	32	1,746	86	—	—
7. Civil Service .. .. .	813,988	8	824,537	71	10,551	83	—	—
8. Secretariat .. .. .	324,018	96	347,944	55	23,925	80	—	—
9. Controller of Revenue .. .. .	5,781	45	8,113	94	2,332	49	—	—
10. Treasury .. .. .	84,077	49	79,878	71	—	—	4,198	78
11. Audit Office .. .. .	66,082	91	101,397	67	32,314	66	—	—
12. Provincial Administration .. .. .	1,016,782	86	1,046,417	14	30,634	28	—	—
13. Settlement Officer under Waste Lands Ordinance.	96,887	2	157,032	17	60,145	15	—	—
14. Survey Department .. .. .	902,376	66	997,200	49	94,823	83	—	—
15. Government Stores .. .. .	71,717	26	73,611	79	1,894	53	—	—
16. Immigration .. .. .	79,494	84	76,322	44	—	—	3,172	40
17. Quarantine .. .. .	31,941	74	32,634	89	693	15	—	—
18. Customs .. .. .	153,562	45	163,210	65	9,648	10	—	—
19. Post Office and Telegraphs .. .. .	1,621,502	89	1,611,033	0	89,580	11	—	—
20. Forest Department .. .. .	280,689	31	250,451	98	—	—	30,237	33
21. Railway Department .. .. .	5,574,562	23	5,694,818	70	339,256	47	—	—
22. Port and Marine, Colombo .. .. .	479,501	48	489,063	41	9,561	93	—	—
23. Port and Marine other than Colombo	38,567	62	37,101	12	—	—	1,466	50
24. Legal Departments:—								
Supreme Court .. .. .	180,702	96	189,202	76	8,499	80	—	—
Attorney-General .. .. .	80,598	77	83,120	47	2,521	70	—	—
Solicitor-General .. .. .	13,639	13	14,667	50	1,028	37	—	—
District Courts .. .. .	179,829	12	190,797	27	11,068	15	—	—
Courts of Requests and Police Courts.	139,832	37	138,131	54	—	—	1,700	73
Registration of Lands .. .. .	113,576	51	118,771	89	5,195	38	—	—
Registration of Marriages, Births, and Deaths.	128,134	1	129,016	30	882	29	—	—
Fiscals .. .. .	285,150	44	303,498	61	18,348	17	—	—
25. Police Department .. .. .	1,066,758	67	1,118,962	63	52,204	06	—	—
26. Prisons Department .. .. .	560,272	54	568,582	89	—	—	21,889	65
27. Medical Department .. .. .	2,196,849	43	2,178,185	58	—	—	20,703	85
28. Education .. .. .	1,297,259	23	1,342,903	47	45,644	24	—	—
29. Botanic Gardens .. .. .	128,068	11	151,957	33	23,889	27	—	—
30. Colombo Museum .. .. .	36,574	92	38,615	42	8,040	50	—	—
31. Archeological Commissioner .. .. .	70,027	20	66,575	22	—	—	3,451	98
32. Veterinary Department .. .. .	20,299	67	23,287	11	2,987	54	—	—
33. Board of Agriculture .. .. .	30,531	25	30,000	0	—	—	531	25
34. Mineralogical Survey .. .. .	20,277	68	22,118	72	1,841	04	—	—
35. Inspector of Mines .. .. .	11,733	55	16,206	21	4,473	38	—	—
36. Inspector of Factories .. .. .	4,000	0	3,457	75	—	—	512	25
37. Miscellaneous Services .. .. .	629,028	6	703,074	92	74,046	88	—	—
38. Public Works Department .. .. .	900,563	12	685,545	67	64,482	55	—	—
39. Irrigation Department .. .. .	304,783	8	332,408	94	17,683	91	—	—

Heads of Service.	1907.		1908.		Increase.	Decrease.
	Rs.	c.	Rs.	c.	Rs.	c.
39a. Consulting Electrical Engineer ..	8,968	14	—	—	—	8,968 14
40. Public Works Annually Recurrent..	2,396,945	69	2,420,404	9	23,458	40
41. Irrigation Annually Recurrent ..	181,763	56	197,288	68	15,505	12
42. Railway Works Annually Recurrent	—	—	109,695	95	109,695	95
43. Public Works Extraordinary ..	2,008,381	0	1,947,041	83	—	61,339 17
44. Irrigation Extraordinary ..	155,209	10	168,452	14	11,243	4
45. Railway Works Extraordinary ..	1,357,634	45	1,978,083	79	620,449	31
46. Surplus Balances—	—	—	—	—	—	—
Railway Sea Coast Protection Scheme.	—	—	116,148	59	116,148	59
Warehouses, Colombo Customs ..	—	—	162,448	94	162,448	94
Total Expenditure chargeable to General Revenue.	32,591,521	79	35,032,055	39	2,403,425	54
47. Public Works Extraordinary charged to Revenue, pending raising of Loan—	—	—	—	—	—	—
Harbour Construction ..	1,580,627	23	1,321,617	1	—	251,010 22
Northern Railway Construction	137,073	44	26,988	74	—	110,074 70
Station Extensions ..	737,267	82	1,031,800	74	294,542	62
Passara Railway Survey ..	47,762	80	—	—	—	47,762 80
Ratnapura Railway Construction	2,862	27	185,728	87	182,876	60
Mannar Railway Survey ..	407	13	50,386	98	49,978	85
Irrigation Construction ..	155,209	11	166,463	21	11,244	10
	2,661,189	80	2,790,981	55	538,642	37
Grand Total ..	36,252,711	69	37,823,039	94	3,142,067	91
					571,739	66
					2,570,328	25

The most significant features in the above statement are the increases under the heads Military Expenditure, Settlement Officer under the Waste Lands Ordinance, Railway Department, and Railway Works Extraordinary. Military Expenditure shows a total increase of Rs. 377,000, or 23 per cent. This is accounted for by an increase of Rs. 25,000 for Volunteer Regiment, which may be considered a normal increase due to additions to the Force; an increase of Rs. 337,000 in the contribution to the Imperial Government, which is now fixed at £112,500; an increase of Rs. 14,000 under the head Special Expenditure, Buildings, &c.; and an increase of Rs. 1,000 under Compensation in lieu of exemption from Customs Duty. The increase under "Settlement Officer under the Waste Lands Ordinance" is 62 per cent. This is due to additions to the staff of the Department to expedite the work of land settlement. The increase under Railway Department is Rs. 320,256, an increase only of a little over 6 per cent., due to normal increases of salary and maintenance votes. Railway Works Extraordinary expenditure has increased by over 45 per cent., on account of the construction of the Negombo Railway, which is being built out of revenue.

#### (B.) ASSETS AND LIABILITIES.

(i.) The assets of the Colony on December 31st 1908, were Rs. 22,918,877, and the liabilities Rs. 18,136,809, the assets thus exceeding the liabilities by Rs. 4,782,068. Further, a sum of Rs. 11,912,911 had been advanced from surplus balances for Harbour, Railway, and Irrigation expenditure, which will ultimately be charged to loan.

(ii.) Of the assets, a sum of—

Rs. 10,144,372 was in cash in the hands of the Treasurer and Government Agents;  
 Rs. 5,209,162 in investments;  
 Rs. 4,351,220 advanced for the Colombo Drainage Works;  
 Rs. 1,666,511 in stores;  
 Rs. 842,419 in loans to Local Bodies; and  
 Rs. 658,318 in miscellaneous advances.

(iii.) The chief liabilities were:—

	Rs.
Currency Reserve ... ..	6,830,245
Widows' and Orphans' Pension Fund...	5,303,316
General Deposits ... ..	2,657,469

(C.) PUBLIC DEBT.

On December 31st, 1908, the public debt of Ceylon stood as follows:—

	£
Nett Sterling Debt ... ..	3,912,143
Nett Silver Debt (Rs. 2,671,287) ...	178,086
Total Indebtedness ... ..	£4,090,229

The following table exhibits in sterling the revenue and nett amount of debt during each of the last ten years:—

Year.	Revenue.	Nett Amount of Debt.
	£	£
1899 ... ..	1,727,543	3,424,462
1900 ... ..	1,821,729	3,361,750
1901 ... ..	1,762,473	3,297,321
1902 ... ..	1,895,677	4,624,183
1903 ... ..	1,961,554	4,553,169
1904 ... ..	2,056,446	4,476,480
1905 ... ..	2,293,022	4,386,039
1906 ... ..	2,335,377	4,304,396
1907 ... ..	2,438,255	4,194,434
1908 ... ..	2,371,523	4,090,229

It should be noticed—

- (a) That Ceylon has not borrowed since 1902.
- (b) That the debt is now less than twice the annual revenue.
- (c) That Ceylon could borrow £3,000,000 more without its indebtedness exceeding three times the annual revenue.

It is estimated that a sum of slightly under 4½ million pounds is required to defray the cost of completing the programme of public works already sanctioned. Of this amount, approximately £3,360,000 will be chargeable to loan, and the balance to surplus balances. The expenditure is to be spread over the next five years. In the programme is included the expenditure on the Colombo Drainage Works, five-sixths of which represents a loan to the Municipality, and the expenditure on the Colombo Lake Scheme, which is now the subject of an inquiry by a Special Commission.

Of the sum of £4,500,000, £1,084,275 has been provisionally advanced out of surplus revenue, including £290,081 for the Colombo Drainage Scheme, which sum will be regarded as a loan to the Municipality.

Provision is made for the repayment of all loans by means of a sinking fund, except in the case of the loan from the Public Works Commissioners under Ordinance No. 6 of 1875, which is repayable by an annuity. This debt will be extinguished in 1911. In compliance with instructions from the Secretary of State on the issue of the loan now approved, a reserve fund of not less than Rs. 2,000,000 is to be created by the investments by the Crown Agents in securities of the highest class. The interest earned is to be credited to the fund, to which additions will hereafter be made from surplus balances, as may be decided from time to time, until the total reaches Rs. 5,000,000, thereafter the interest earned will be credited to general revenue.

The capital expenditure of the Colony has, with the exception of comparatively small sums spent on Irrigation Works, and the duplication of the Colombo water main, all been confined to two great services, Railways and Colombo Harbour Works. The former yield very nearly 6 per cent. interest on the capital invested, while the Harbour has hitherto met all charges, including interest and sinking fund.

#### (D.) CURRENCY AND BANKING.

The currency of Ceylon consists of—

- (1) Copper: Ceylon 5-cent, 1-cent,  $\frac{1}{2}$ -cent, and  $\frac{1}{4}$ -cent pieces.
- (2) Silver: the India rupee, with subsidiary Ceylon 50-cent, 25-cent, and 10-cent pieces.
- (3) Gold: British sovereigns, which are legal tender at Rs. 15 per £.
- (4) Ceylon Government notes of Rs. 1,000, 100, 50, 10, and 5.

The question of replacing the clumsy copper 5-cent piece by a nickel coin of the same denomination is at present engaging the attention of Government. There was some difficulty in securing a design dissimilar to a coin which the Indian Government are introducing, but this difficulty has now been removed.

On December 31st, 1908, the value of currency notes in circulation was Rs. 15,466,575, on which date the currency reserve was distributed as follows:—

	Rs
Gold, £165,434 ... ..	2,481,510
Rupees ... ..	3,997,735
Small silver ... ..	351,000
Colonial investments ... ..	4,625,049
Indian investments ... ..	4,011,281

The Chartered Bank of India, Australia, and China; the Hong Kong and Shanghai Banking Corporation; the Bank of Madras; the Mercantile Bank of India; and the National Bank of India, Limited, do business in the Colony.

## (E.) MUNICIPALITIES.

The following is a comparative statement of the total revenue and expenditure of the Municipalities for the five years ended December 31st, 1908 :—

*Colombo.*

Year.	Revenue.			Expenditure.	
	Rs.	c.		Rs.	c.
1904	...	...	1,567,907 46	...	1,656,127 70
1905	...	...	1,591,742 10	...	1,387,277 98
1906	...	...	1,763,106 35	...	2,528,754 99
1907	...	...	2,382,259 12*	...	2,217,100 86
1908	...	...	1,884,133 4	...	1,846,000 97

*Kandy.*

Year.	Revenue.			Expenditure.	
	Rs.	c.		Rs.	c.
1904	...	...	192,150 47	...	179,583 10
1905	...	...	188,553 17	...	207,938 78
1906	...	...	220,691 47	...	203,242 40
1907	...	...	224,196 41	...	192,736 5
1908	...	...	226,646 54	...	189,138 78

*Galle.*

Year.	Revenue.			Expenditure.	
	Rs.	c.		Rs.	c.
1904	...	...	95,911 93	...	86,563 57
1905	...	...	104,899 28	...	101,473 50
1906	...	...	113,035 46	...	108,918 0
1907	...	...	129,637 81	...	116,578 59
1908	...	...	141,984 46	...	132,461 36

Below will be found a statement of the debts of the Municipalities up to the end of 1908, showing provision for payment :—

Amount of Debt.	On what Account.	Provision for Payment.
Rs. c.	<i>Colombo.</i>	—
—	<i>Kandy.</i>	—
146,060 82	Waterworks construction.	Water-rate of 6 per cent. on properties within certain portions of the Municipality (Ordinances Nos. 18 and 29 of 1884).
105,402 98	Acquisition of lands above reservoir; repairs to main sewer and other various works.	Bond assigning portion of water-rate as authorised by Ordinance No. 7 of 1887; also portion of rates and taxes.
18,000 0	To widen Victoria Drive and clear lake silt.	Bond assigning portion of rates and taxes under sections 127 (a) and (b), 128, 129, and 130 of Ordinance No. 7 of 1887.

\* The revenue of the Colombo Municipality for 1907 includes a sum of Rs. 600,000 advanced by Government on account of Drainage Works.

Amount of Debt.		On what Account.	Provision for Payment.
Rs.	c.	Galle.	
51,759	97	Construction of water-works.	A water-rate of 5 per cent. is levied within the Fort for repayment of loan.
33,716	29	Sanitary improvements	Mortgage of stamp duties on licences for carts, boats, and coaches, and also stamp duties under Licensing Ordinances of 1893 and 1897.
354,940	6		

As regards the Municipality of Colombo, a sum of Rs. 4,000,000 has been advanced by the Government towards the cost of the Mansergh Drainage and Sewerage Scheme.

The construction of the Colombo Waterworks and the Victoria Bridge was carried out by Government, and the Municipality has undertaken to repay Government an annual sum of Rs. 100,000 until 1924 in respect of the former, and of Rs. 8,000 until 1945 for the latter.

#### (F.) LOCAL BOARDS.

The town of Moratuwa having been brought under the provisions of the Local Boards Ordinance, there are now twenty-one Local Boards in Ceylon. The Boards are entrusted with the maintenance of public health and the general improvement and conservancy of the towns in which they are established. Their sources of revenue are an assessment tax on real property, taxes on vehicles and animals, road commutation tax, stamp duties for various licences, and fines for breaches of by-laws, &c.

In 1908 the total revenue of these Boards amounted to Rs. 430,626 as against Rs. 361,054 in 1907, and the total expenditure to Rs. 411,853·69 as against Rs. 370,942 in 1907.

Loans are made to Local Boards usually at 3½ per cent. interest and 2 per cent. sinking fund for approved purposes, such as waterworks, drainage, erection of markets, &c., on the security of their revenue. Loans outstanding on December 31st, 1908, amounted to Rs. 462,900.

## II.—TRADE, AGRICULTURE, AND INDUSTRIES.

### (A.) IMPORTS AND EXPORTS.

The total value of Ceylon trade in the year 1908 exceeded that of any previous year, as will be seen from the following table:—

**Aggregate Value of Imports and Exports for the last Ten Years**  
(omitting Specie, but including Coal exported for use of  
Steamers).

Year.					Lacs of Rupees.
1899	...	...	...	...	2,130
1900	...	...	...	...	2,206
1901	...	...	...	...	2,042
1902	...	...	...	...	2,086
1903	...	...	...	...	2,144
1904	...	...	...	...	2,198
1905	...	...	...	...	2,240
1906	...	...	...	...	2,363
1907	...	...	...	...	2,631
1908	...	...	...	...	2,648

The Customs revenue, however, showed a decrease of Rs. 182,410·79, as compared with 1907, owing to a falling off in the importations of grain and the exportations of plumbago. The figures for the year were, however, far in advance of any previous year, except 1907.

The chief articles contributing to the revenue in 1908 were:—

					Rs.
Grain	...	...	...	...	3,205,856
Spirits	...	...	...	...	1,269,810
Kerosine Oil	...	...	...	...	1,056,463
Sugar	...	...	...	...	857,020
Cotton Goods	...	...	...	...	372,375

The distribution of Imports and Exports was as follows:—

					Rs.
Total Imports	...	...	...	...	122,420,000
Total Exports	...	...	...	...	128,962,000

The following table shows the percentage of Imports and Exports:—

- (1) From United Kingdom,
- (2) From British Possessions,
- (3) From Foreign Countries,

during the last five years:—

*Imports.*

—		1904.	1905.	1906.	1907.	1908.
From United Kingdom	...	24·7	23·2	26·2	27·2	26·4
From British Possessions	...	63·2	65·1	62·7	60·6	60·4
From Foreign Countries	...	12·1	11·7	11·1	12·2	13·2

*Exports.*

—	1904.	1905.	1906.	1907.	1908.
To United Kingdom ...	50·6	52·8	48·7	50·9	49·5
To British Possessions...	18·1	18·6	18·7	17·2	16·9
To Foreign Countries ...	31·3	28·6	32·6	31·9	33·6

It will be seen that British and Colonial trade has practically maintained its position in competition with foreign countries, but that there has been on the whole a slight advance by the latter. The position is such that it behoves the British trader to exert himself to the utmost to prevent his foreign competitor securing a lead in the market.

Ninety-three commercial travellers declared their samples at the Customs in 1908; of these, fifty-five appear to have been travelling for British firms and thirty-eight for foreign firms. The latter travelled in electroplate, silverware, haberdashery, fancy leather goods,\* perfumery, watches, jewellery, hardware, and rubber goods—all articles in which there have been increased imports from foreign countries in recent years.

The native of Ceylon shows a marked preference for an English article, and he does not mind paying a little more for it, as his experience has taught him that the cheap imitation article will not last. English cutlery, machinery, hardware, flannel, biscuits, and soap have the best name in the market. It is not uncommon to see notices in the native shops, "English goods only," "English cutlery," "English steel," &c. The British manufacturer is, however, apt to lose ground by failure to put his goods on the market in an attractive form which will appeal to a native population, *e.g.*, the picture on the lid, the ornamental stamp on the leather, the carved pipe bowl, &c., and in lack of initiative in advertising, and in not taking measures to guard against and prevent colourable imitations.

The slight decrease in the percentage of trade with the United Kingdom in 1908 as compared with foreign countries is principally due to a reduced importation of Government stores. Great Britain does not appear to have lost ground in the general bulk of trade. There is a decrease in the importation of British made-up wearing apparel. German and Japanese goods were largely imported, but this is counterbalanced by increased import of British cotton piece goods.

The rise in the value of goods imported from foreign countries is chiefly in respect of articles which have become the particular product or speciality of the countries exporting them, *e.g.*, kerosine oil (Russia, Borneo, United States of America), tea chests (Japan), matches (Sweden), brandy (France), and gin (Holland).†

\* Cheap German leather belts are now a common article of dress amongst all classes of natives.

† The value of the gin imported increased, while the quantity remained almost the same as in 1907, due probably to an increased consumption of Schnapps in place of Key gin. Cheap gin was rapidly becoming a serious competitor with arrack among the lower classes.

*Imports.*

A comparison of the values of imports in 1907 and 1908 shows large increases in 1908 under the following heads:—

(1) Coal.—Increase of Rs. 2,000,000; due to large demand for Indian coal.

(2) Manures.—Rs. 400,000 increase; large imports of castor seed poonac from India.

The increase in the manure bill of the Colony has been remarkable: the value of imports of manure in 1908 was Rs. 4,161,447; in 1898 it amounted to Rs. 849,419, or about one-fifth of the value of the supply in 1908. This development of scientific agriculture is apparent to the passenger in Ceylon, as close to the first three railway stations after leaving Colombo for Eandy large manure works will soon be noticed.

(3) Tea chests.—Increase Rs. 400,000.

(4) Cotton Piece Goods (Dyed).—Increase Rs. 900,000.

(5) Cotton Piece Goods (Bleached).—Increase Rs. 300,000.

(6) Cotton Piece Goods (Grey).—Increase Rs. 200,000.

(7) Lead (Pig).—Increase Rs. 200,000.

(8) Kerosine Oil.—Increase Rs. 250,000.

In 1907 Borneo supplied all the bulk oil; in 1908 Russia sent 55 per cent. and Borneo 45 per cent. of the quantity imported.

There were decreases under the following heads:—Rice (Rs. 1,000,000), paddy (Rs. 900,000), gram (Rs. 500,000), haberdashery (Rs. 500,000), galvanized iron (Rs. 300,000), hardware, hoop iron, and tea lead (each Rs. 200,000).

Changes in market were few, the most noticeable being the increase in the supply of sugar from Java, an increase in value of Rs. 430,000, which now puts Java at the head of the countries exporting sugar to Ceylon, *vice* Austria. There is a large decrease in the imports of rice from British India, while imports from the Straits Settlements have increased five-fold.

The United Kingdom or the Colonies are the largest suppliers of the following articles to Ceylon:—Live animals, bacon, cask beer, biscuits,\* butter, coffee,\* confectionery, flour, gram, onions, paddy, rice, whisky, cigars, opium, coal, manures (bone and fish), lead, steel, tin, apparel (made up), cotton piece goods,\* flannel, mixed materials, piece goods,\* galvanized iron,\* hardware,\* tea lead, casks and shooks,\* cement,\* fancy articles,\* haberdashery,\* machinery,\* manures,\* poonac, soap.

Foreign countries supply Ceylon with more bottled beer, brandy, gin, potatoes, sugar, teak, silks and satin, broadstuffs, hoop iron, iron nails and rivets, kerosine oil, matches, milk (preserved), tea chests, wines, window glass, and German sheet.

It will be noticed that the United Kingdom or the Colonies still hold the field in the large majority of important articles. In those marked \* however there is considerable foreign competition.

The following table shows the changes in the relative positions of the various countries which export goods to Ceylon :—

Ceylon's Chief Sources of Supply (Value of Imports, excluding Specie).

Country.	1906.		1907.		1908.	
	Value of Exports to Ceylon.	Position.	Value of Exports to Ceylon.	Position.	Value of Exports to Ceylon.	Position.
	Rs.		Rs.		Rs.	
1. British India ...	59,687,700	1	60,468,700	1	54,137,900	1
2. United Kingdom ...	29,569,700	2	32,626,000	2	32,329,000	2
3. Straits Settlements ...	1,887,700	5	2,904,100	5	9,906,500	3
4. Burma ...	4,057,600	3	4,045,800	3	3,049,100	4
5. Germany ...	2,814,800	4	2,921,100	4	2,826,400	5
6. Maldiv Islands ...	1,843,300	6	2,267,000	6	2,033,200	6
7. Japan ...	1,557,000	7	1,507,000	8	1,818,700	7
8. Hong Kong ...	1,479,900	8	1,152,600	11	1,789,000	8
9. India (non-British)...	753,600	12	1,735,000	7	1,275,000	9
10. Java ...	101,500	25	735,200	16	1,164,900	10
11. Austria ...	1,141,100	10	1,297,500	9	1,120,600	11
12. United States of America.	1,375,800	9	1,002,400	12	1,097,500	12
13. Holland ...	591,400	15	715,900	17	1,095,500	13
14. Siam ...	390,800	19	627,200	19	1,005,000	14
15. Borneo (excluding British).	660,600	14	1,267,500	10	893,800	15
16. France ...	797,800	11	757,600	13	860,900	16
17. South Australia ...	591,200	16	744,900	14	856,000	17
18. New South Wales ...	254,900	22	329,700	22	746,600	18
19. Russia ...	254,500	23	59,700	25	737,900	19
20. Victoria ...	667,400	13	740,100	15	724,200	20
21. Belgium ...	425,300	17	694,700	18	647,600	21
22. Switzerland ...	422,800	18	428,300	21	484,800	22
23. Italy ...	335,200	20	451,200	20	424,100	23
24. Western Australia ...	85,700	26	41,100	26	404,000	24
25. Sweden ...	193,500	24	164,400	23	259,100	25
26. Natal ...	11,400	27	8,400	27	202,100	26
27. China...	282,500	21	124,800	24	166,800	27
28. South America ...	3,800	28	3,600	28	119,700	28

The chief features are the advance of the Straits, Russia, and Hong Kong, and the decrease in the value of imports from British India and Burma.

#### Exports.

A comparison of the value of the exports may be made from the following table, which summarizes the staple exports of the Colony in 1907 and 1908 :—

Products.	To United Kingdom.	To British Colonies.	To Foreign Countries.
Tea ... { 1907	46,281,800	13,829,100	14,553,000
... { 1908	44,811,900	14,178,700	14,562,700
Product of the Coconut Palm { 1907	9,257,700	3,342,500	13,342,600
... { 1908	10,433,600	1,393,200	17,507,500
Plumbago ... { 1907	2,327,000	51,600	6,528,000
... { 1908	2,476,900	£2,100	5,464,600

Products.	To United Kingdom.	To British Colonies.	To Foreign Countries.
Cinnamon ... .. { 1907	407,200	66,400	2,572,100
... .. { 1908	259,000	56,000	2,298,800
Cacao ... .. { 1907	3,803,000	234,400	1,195,700
... .. { 1908	1,890,200	187,400	585,800
Arecanuts ... .. { 1907	5,300	2,322,900	86,800
... .. { 1908	11,000	2,089,800	81,900
Citronella Oil ... .. { 1907	617,000	67,100	702,000
... .. { 1908	443,600	84,500	515,600
Rubber ... .. { 1907	1,703,500	69,000	1,179,600
... .. { 1908	2,213,700	173,700	1,183,500

Of the total value of Ceylon produce exported, the products of the coconut palm represent 23·3 per cent. and tea 57·9 per cent.

There was an increased demand for the products of the coconut palm, especially copra. It is noticeable that foreign countries spent half as much again on the products of the coconut as the United Kingdom and British possessions combined, while foreign countries also took twice as much plumbago, ten times as much cinnamon, and the same amount of citronella oil as the British Dominions.

Ceylon's best customers are given below :—

Country.	1906.		1907.		1908.	
	Value of Exports from Ceylon (excluding Specie).	Position.	Value of Exports from Ceylon (excluding Specie).	Position.	Value of Exports from Ceylon (excluding Specie).	Position.
	Rs.		Rs.		Rs.	
1. United Kingdom ...	53,264,760	1	65,565,800	1	63,566,800	1
2. United States of America.	10,333,500	2	11,802,100	2	10,450,900	2
3. Russia* ... ..	5,780,100	5	9,022,000	3	10,069,200	3
4. Germany ... ..	8,201,700	3	8,177,500	4	8,171,300	4
5. British India ... ..	6,013,000	4	5,763,900	5	5,643,100	5
6. Belgium ... ..	2,708,900	9	3,233,400	8	4,357,100	6
7. New South Wales ...	3,233,000	6	4,255,000	6	3,823,200	7
8. Canada ... ..	2,635,700	10	2,607,900	10	3,394,900	8
9. China(excluding Hong Kong).	1,947,200	11	3,209,600	9	3,025,700	9
10. Victoria ... ..	3,190,300	7	3,416,900	7	2,863,300	10
11. Austria ... ..	3,005,900	8	1,548,800	12	2,151,400	11
12. New Zealand ... ..	1,574,700	12	1,894,500	11	1,977,800	12
13. Denmark ... ..	670,200	14	610,700	15	1,152,600	13
14. Holland ... ..	546,700	16	620,900	14	702,800	14
15. France ... ..	795,800	13	706,200	13	696,100	15
16. Straits Settlements ...	571,100	15	599,600	16	566,700	16
°Russia in Asia ...	1,745,000		2,079,100		2,769,000	
Russia in Europe ...	4,035,200		6,942,900		7,300,200	

Russia, Belgium, Canada, and Denmark have largely increased their imports from Ceylon; Austria, on the other hand, takes much less than she did three years ago; while trade with France is surprisingly small. The decreased value of exports to the United Kingdom is chiefly due to smaller shipments of Ceylon tea.

*Tea.*

The following table shows the comparative distribution of Ceylon tea in 1907 and 1908:—

Principal Markets for Ceylon Tea.

	1907. lb.	1908. lb.
I.—United Kingdom ...	111,485,802	109,297,386
II.—British Possessions:—		
British India ...	1,214,950	1,912,357
Canada ...	6,161,602	8,047,730
Cape Colony ...	281,937	383,399
Hong Kong ...	294,885	273,099
Natal ...	534,894	612,958
New South Wales...	9,618,560	8,863,775
New Zealand ...	4,313,696	4,493,202
Queensland ...	866,376	821,510
South Australia ...	1,018,795	1,144,936
Straits Settlements	455,333	471,976
Victoria ...	7,187,238	6,140,989
Western Australia	736,825	567,983
Total British Possessions	32,685,091	33,733,914
III.—Foreign Countries:—		
Austria ...	201,060	157,013
China (excluding Hong Kong) ...	7,699,129	7,344,623
Egypt ...	217,151	488,336
France ...	461,845	609,829
Germany ...	578,881	504,448
Russia ...	19,670,490	19,612,592
Turkey ...	62,718	314,583
United States ...	5,528,297	5,888,238
Total Foreign Countries	34,419,571	34,919,662
Grand Total ...	178,590,464	177,950,962

There was a large increase in the shipments of tea (green) to Canada, while the total quantity exported to all countries was about half a million pounds less. The quality of teas generally was well maintained, but there was a slight reduction in the average price (from 41½ cents per lb. in 1907 to 41 cents per lb. in 1908).

According to the annual report of the Ceylon Planters' Association: "The year closed with a good statistical position, and with every indication of an improved market for 1909."

The Tea Export Cess of 20 cents per 100 lb. ceased on December 31st, 1908; it had been collected for a period of sixteen years.

### *Rubber.*

Shipments of Ceylon rubber during 1908 show an increase of 356,045 lb. as compared with those for 1907, the actual figures being—

				lb.
1907	...	...	...	556,080
1908	...	...	...	912,125

The United Kingdom and America continue to take the bulk of the exports, Germany and Australia coming next in order.

The market for the latter half of 1908 has been very strong, with a good general demand for all grades, especially for the inferior grades of crepe, which, now that estates are getting increased crops, they are able to make of a better general appearance and more even in colour, which is most desirable in these grades. The general outturn from all estates has been of better quality than previously, and up till now biscuit and sheet have been the favourite form of manufacture, but more estates are going in for making white crepe, which realizes a higher price.

The best buyer on the local market has been the United States, but foreign countries and also Australia are interesting themselves in the product, though so far they have not been in so favourable a position to compete with the former; they should, however, in the future be strong competitors.

Prices for good biscuit and sheet rubber ranged during the six months from Rs. 2.80 per lb. to Rs. 3.90 per lb., and the lower grades rose proportionately, and all rubber offered was eagerly taken up by local buyers.

Ceylon was well represented at the International Rubber Exhibition held in London, and at the Colonial Products Exhibition, Liverpool.

## (B.) MINES, MANUFACTURE, AND FISHERIES.

### (a) *Pearl Fishery.*

A pearl fishery did not take place in 1908. At the end of March the Ceylon Company of Pearl Fishers decided to fish the oysters (estimated at five millions) which had been discovered on the North Kondachohi Paar. No camp was formed and divers were not collected, but an attempt was made to carry on the work by dredging. Progress was slow, and the attempt was abandoned after 85,000 oysters had been fished.

The annual rent of Rs. 310,000 was paid by the Company to Government, and a sum of Rs. 115,581 was spent by the Company on the development of the pearl banks by experiment and research.

*(b) The Mineralogical Survey.*

The mineralogical survey has been continued during the year by Mr. James Parsons and his Assistant Mr. J. A. Daniel. On December 29th Mr. Parsons disappeared in jungle, near Nuwara Eliya, when engaged on inspection work. He was still missing at the end of the year.\*

Both Mr. Parsons and his Assistant performed a considerable amount of travelling during the year. No discoveries of special importance were made.

Monazite was found to be widely distributed in the Southern Province.

Graphite is widely distributed in the Island, and Ceylon continues to provide a large output of this mineral.

About 234 cwt. of mica have been exported, as against 426 cwt. in 1907 and 99 cwt. in 1906.

Professor Dunstan states in his Report on the Work of the Imperial Institute: "The Mineralogical Survey has shown that thorite, thorianite, monazite, and gold are widely distributed in Ceylon, but usually only in small quantities, and somewhat irregularly. Further exploration in Ceylon will decide whether such gravels will repay working.

"Other minerals of economic interest received and reported on were kaolin, galena, limestone, rutile, and molybdenite. The specimens awaiting investigation at the end of 1907 were mainly clays, micas, and concentrates containing thorium minerals.

"In addition, a large number of minerals, mainly for identification and valuation were received from residents in Ceylon."

*(c) Mining.*

Plumbago.—There was a decrease of Rs. 33,000 in the royalty recovered in plumbago, and of 133,750 cwt. in quantity exported.

The market has been dull since the American crisis, and it was only towards the close of the year that there were signs of improvement. The decrease as one would expect was especially marked in the shipment to the United States—130,000 cwt. less than in 1907—nearly the whole deficiency for 1908. The average price was higher than in 1907.

The plumbago mines are chiefly in the Ratnapura and Kurunegala Districts and parts of the Western and Southern Provinces. The industry is a somewhat speculative one, success depending largely on the demand for plumbago by buyers in the European and American markets. It is carried on for the most part by native capitalists. A great improvement has been effected in the methods of working the mines or pits since the appointment of a Government Inspector of Mines.

Moonstones are found in the Kandy District, where two large pits were worked during the year. Other precious stones, such

\* The body of Mr. Parsons was found in the jungle near a tea estate in the neighbourhood of Nuwara Eliya on 11th April, 1909.

as rubies, cats-eyes, sapphires, &c., are gemmed in the Ratnapura District chiefly.

The quarrying of cabook or gneiss and granite has received a stimulus in recent years consequent on the demand for new houses in the principal towns, especially in Colombo and its suburbs.

(d) *Salt.*

The manufacture and collection of salt is a Government monopoly, and is protected by the imposition of a duty of Rs. 2·13 per cwt. on imported salt. A sum of Rs. 1,760,551·59 was realized by its sale in 1908, or Rs. 22,679·85 in excess of 1907.

The year was highly favourable both for manufacture and collection, a quantity of 725,547 cwt. being secured in all, which represents the highest aggregate reached within the last thirty-five years. The second highest was in 1905, when a total of 713,822 cwt. was realized.

The stock of salt in the various stores at the end of the year amounted to 1,226,378 cwt., which at the present rate of consumption is sufficient for the needs of the Island for 2½ years.

(e) *Manufactures.*

Ceylon is essentially an agricultural country, and its manufactures on any large scale are chiefly confined to the products of agriculture.

In the districts where the coconut palm is cultivated copra is manufactured, and is largely exported to the United Kingdom, Germany, and elsewhere in Europe. The making of fibre, coir rope, and yarn, and coir matting from the husk of the coconut is also carried out on an extensive scale, the work being done for the most part by women. There are a few desiccating mills, where the kernal of the coconut is dried and specially prepared for export. There is a large development of this industry in the Chilaw District.

In the Northern Province, where tobacco thrives, cigars are manufactured; but this industry suffers from increasing competition with cigarettes. The Jaffna cigar seller nevertheless is still ubiquitous in the Island, and his cigars, which are small, strong, and extremely cheap, are a favourite smoke with the natives. The feature of this industry largely depends on new markets being found for the cigars, but to effect this an improvement in the method of curing the tobacco is essential.

The manufacture of tiles and bricks is carried on in all parts of the Island where suitable clay is plentiful.

The weaving of a coarse kind of cloth in hand looms is carried on in the Eastern, Northern, and Central Provinces. It supplies purely local wants, and the cloth, though strong and of hard-wearing quality, is inferior in texture and finish to imported material. It is, however, highly valued by the particular class of natives who use it.

In other districts the making of baskets, tortoise-shell boxes and combs, and common earthenware for water pans and cooking utensils is generally pursued to meet local wants. Excellent furniture is made in the Western Province, especially at Moratuwa.

Jewellery of very fine workmanship is made in the Northern Province to supply local wants. It is a species of filigree work, which is much prized by the Tamil population of the Island.

The indigenous crafts peculiar to the Kandyan country, *i.e.*, silver and brass work, the making of jewellery, earthenware, and painted pottery, lacquer work, and ivory carving, continue to receive encouragement from the Kandyan Art Association. Specimens of the articles are kept in the Kandyan Art Museum, where they can be purchased.

Brass lamps, betel stands, plates, cooking utensils, and water pots are made in the North-Western and Eastern Provinces, and at Negombo in the Western Province.

In the Mannar District of the Northern Province the drying and salting of fish gives employment to a large number of people. In 1908 1,336 tons of dried fish valued at Rs. 220,600 were exported from the Mannar District during the year.

#### (C.) AGRICULTURE.

##### *The Agricultural Society.*

The Ceylon Agricultural Society, founded in November, 1904, had at the end of 1908 a membership of 943, a decrease of 200 from the previous year, owing to the subscription being raised from Rs. 5 to Rs. 8 per annum.

The number of Agricultural Instructors employed by the Society has been increased from two to five, three for the Sinhalese districts and two for the Tamil districts.

Eight Shows were held during the year.

Considerable work was done in the introduction of better varieties of fruits, vegetables, &c. Several of the Government Agents report increased cultivation of vegetables in their districts, which means both an improved food supply and improved health amongst people who live largely on a vegetable and fish diet.

Good progress has been made in popularizing, transplanting, and manuring in paddy (rice) cultivation.

School gardening has been encouraged, and there are now 180 gardens connected with schools.

The development of the fibre industry (including cotton) and the improvement of the tobacco industry have received a good deal of attention. Provision has been made for large experiments in the cultivation of tobacco in the North-Central Province.

A number of affiliated societies (notably the Dumbara branch) have adopted the co-operative principle in seed supply with success.

The subject of loans to agriculturists is occupying the attention of the Society, and a scheme for administering such loans is at present under consideration.

### *Position of Agricultural Industries.*

The year has in general been prosperous for agriculture. Extension of rubber has practically ceased, and there are now signs that attention will next be devoted to cotton—a very desirable move, for it is a crop which will suit the smaller capitalist, it is yearly becoming scarcer, and there is an unlimited demand for it, so that nothing Ceylon can do will affect the market; and there are thousands of acres of land suitable at present lying idle.

The most noteworthy agricultural features of the year have been—

(a) The steadily growing recognition on the part of the public that the real bar to agricultural progress among the poorer natives, who form the great part of the cultivating community of Ceylon, is lack of capital, and the necessity for co-operative credit societies.

(b) The success of the application of good machinery to the land of the North-Central Province, and the success upon such cultivated land of crops hitherto not grown in the north of Ceylon. The machinery has not only reduced the cost of weeding to about one-tenth of what it was, but weeds absolutely clean, and keeps the land tilled. There may now be seen at Maha Illuppalama large areas of land as well tilled and as weedless as a European farm, while the growth of the Ceara rubber, the coconuts, the cotton, the cacao, &c., has been remarkable.

(c) The great spread of the coconut stem bleeding disease in the early part of the year, and the application of the new Pests Ordinance to the villagers' crops. On the whole, the Ordinance has worked with great smoothness; few cases were instituted in the Police Courts.

(d) The serious commencement of cotton-growing in Ceylon, though as yet it is mainly grown in the wrong part of the Island—the wet zone—as a catch crop among rubber or other products.

(e) Reference has already been made to the exports of tea, rubber, and the product of the coconut palm. The only other important cultivation in Ceylon is paddy, which is capable of very great extension. Unfortunately, the dependence of a very large proportion of the population on imported rice and the lethargy of the ordinary paddy cultivator, who is content to raise a sufficient crop for his own needs, has prevented full benefit being derived from the successfully-restored irrigation works.

### *Cattle.*

Rinderpest.—There was a serious outbreak of the disease in 1908; the infection was probably brought from India. There has been considerable loss amongst cart bulls, which has inter-

ferred with transport in planting districts. The mortality was very high; out of 3,194 cases in 1908 2,184 cattle died. Treatment with anti-serum inoculation has been adopted on a large scale.

A new quarantine station at Colombo was completed during the year, which should prevent infectious diseases spreading in this country from importation.

#### (D.) LAND SETTLEMENT.

The Land Settlement Department, which is concerned with the settlement of title (as between the Crown and the individual) to the vast tracts of waste land in the Island, has been able to get through an increased amount of work and to carry out more settlements than it has hitherto been able to take up in any year.

The total area of the Island settled under the Waste Lands Ordinance at the end of 1908 was 1,197,253 acres, and to this must be added large acreages settled by the Department by sale or lease.

A large extent of land available for cotton, coconut, and citronella cultivation in the North-Central Province, Uva, and Hambantota was declared under the Ordinance to be the property of the Crown. The Waste Lands Ordinance has now been in operation for eleven years, and the opposition which marked its introduction has practically disappeared. Litigation under the Ordinance is becoming very rare. The vast field open for the work of this Department has required considerable additions to the staff of this and the Survey Department.

#### (E.) LAND SALES.

The total number of acres sold, granted at half value, and settled on free grants during 1908 was 25,080. The number of acres for which title plans have been granted in 1908 was 52,815. An extent of 15,286 acres was sold outright.

The average price paid for land per acre varied from Rs. 110·80 in the Colombo District, Rs. 65 in the Kalutara District of the Western Province, Rs. 54 in Kegalla, chiefly rubber land, Rs. 50 in the Puttalam and Chilaw Districts, Rs. 53·50 in the Galle District, to Rs. 16 per acre in the Nuwara Eliya District and a fraction over Rs. 20 per acre in the North-Central and Eastern Provinces.

The largest extent of land sold in any Province was 4,344 acres in the Western Province; the North-Western Province comes next with 1,678 acres, and then Sabaragamuwa with 1,360 acres. The demand for land is steady; prices have ruled very high in the last few years owing to the boom in rubber, the prosperity of the coconut industry, and the large profits made from tobacco cultivation in the North-Western Province.

Town sites always command high prices in Colombo especially, but even in the smaller and more distant places there is considerable competition. A piece of land in Anuradhapura town sold after brisk competition at the rate of Rs. 8,000 an acre.

## (F.) SURVEY DEPARTMENT.

The operations of the Survey Department during the year comprised 81,000 acres under the block survey and 34,141 acres on application surveys, besides topographical surveys. Plane table surveys of 447 square miles of country have been completed. The total area now covered by block surveys is 2,133,500 acres.

The demands made on the Survey Department have been extremely heavy for years past. It has been shown that the demand for land has been extraordinary. In addition to the ordinary application surveys, various other important surveys have been required. Block surveys to keep pace with land settlements, surveys to delimitate boundaries where they have not been recognizable on the ground owing to sales on old preliminary plans, surveys of the towns of Ceylon, delimitations of road reservations, and improved maps have all been urgently required. To deal with this work a considerable increase in staff has long been necessary.

The erection of the Colombo Observatory was completed in December. The principal function of the Observatory is to give correct time to the Port of Colombo by means of a time ball. Provision has also been made for the synchronization of public clocks. The seismograph, which is at present located at the Technical College, will shortly be transferred to a special room in the Observatory.

## (G.) SHIPPING.

The following table exhibits the number and tonnage of vessels entering the ports of Ceylon in 1907 and 1908:—

Nationality.	1907.		1908.	
	Number.	Tonnage.	Number.	Tonnage.
All Nations ... ..	3,836	6,657,323	3,533	6,931,593
British ... ..	1,719	4,467,307	1,663	4,658,447
British, Colonial ... ..	1,386	151,899	1,125	91,266
German ... ..	197	780,447	203	804,951
French ... ..	144	453,127	153	509,647
Japanese ... ..	112	377,238	109	374,886
Russian ... ..	43	113,955	54	141,538

In previous reports the figures for the coasting trade have been omitted in giving the total tonnage of the port.

Counting these figures, which are included in the returns for other ports,—the Board of Trade figures for 1907, the last available—show Colombo to be the fourth port in the British Empire and the seventh in the world.

*Colombo Harbour Dues.*

The total collection of harbour dues at Colombo during 1908 amounted to Rs. 1,387,893·86, an increase of Rs. 83,628·70 over 1907. It was decided that from January 1st, 1909, no charge shall be made for the use of the harbour tugs; and a special reduced rate has been fixed for vessels calling for coal and water only, which should tend to make the port still more popular.

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### III.—LEGISLATION.

Among the new Ordinances passed during 1908 were:—

No. 11 of 1908.—“An Ordinance to consolidate and amend the Law relating to the Post Office in Ceylon”—to bring the postal legislation of the Colony into line with modern postal developments.

No. 21 of 1908.—“An Ordinance to Prevent Thefts of Rubber.” In view of the extension of rubber cultivation it was considered necessary to protect this product by special legislation directed against thieves and receivers of the product in the same way as has been done in the case of cacao.

No. 25 of 1908.—“An Ordinance to prescribe the Taxation on mechanically propelled Vehicles according to a uniform Scale, and to regulate the use of such Vehicles.” The increased use of motor cars and other mechanically-propelled vehicles, both for the carriage of persons and the transport of goods, have rendered their special taxation and definite regulations as to their use necessary. The taxation is based on the weight of the vehicle.

No. 31 of 1908.—“An Ordinance to amend the Law relating to Firearms.” The frequent recurrence of crimes committed with firearms has necessitated a revision of the Firearms Ordinance, with the object of removing certain defects in the existing Ordinance, and of enabling the Governor in certain cases to cancel or suspend licences to possess firearms.

No. 32 of 1908.—“An Ordinance regulating the Emigration of Natives for the purpose of Employment in certain capacities outside the Island.” Cases have frequently occurred where natives of Ceylon have been employed in shows and spectacular displays outside the Island, and then left without means to return to their homes. The Ordinance provides for their due return to Ceylon on the completion of their term of service by imposing stringent conditions on the employers of such persons, and requiring them to give security for the repatriation, without charge to the public, of the persons employed by them.

No. 35 of 1908.—“An Ordinance relating to the Ceylon Telegraphs.” Hitherto the telegraph service of the Island has been regulated by “The Ceylon Postal and Telegraph Ordinance, 1892,” but owing to developments in this service it has been considered desirable to have a separate Ordinance to regulate it.

The new enactment is based on the corresponding enactment in British India.

No. 37 of 1908.—“An Ordinance to amend the Criminal Procedure Code.” This enactment empowers the Governor to exempt from service as jurors Volunteers who have attended a camp of exercise for a prescribed period and attained a prescribed standard of efficiency with the object of encouraging service in the Volunteer Corps of the Island. It also provides for Station House Officers of the Police Department having powers, as regards the investigation of crime, similar to those now possessed by Inquirers.

#### IV.—EDUCATION.

##### (A.) PRELIMINARY.

It is not possible to draw the same clear line between elementary and secondary education in Ceylon as can be drawn in other countries. The matter is complicated by the fact that English is a foreign language to all but a small fraction of the population. The Europeans, Burghers, and Eurasians together form a little less than 1 per cent. of the population; the Sinhalese form 65 per cent. of the total; the Tamils and Tamil-speaking Moors 33 per cent. The result is that most of the schools in which English is taught are teaching a language which is foreign to the great majority of their pupils, and the distinction between elementary and secondary education is replaced by the distinction between vernacular and English schools. The vernacular schools really constitute the elementary education of the country.

##### (B.) VERNACULAR EDUCATION.

The following table shows the numerical progress for the last six years in the case of vernacular schools:—

Year.		Number of Government Schools.	Attendance.		Number of Aided Schools.	Attendance.	
			Boys.	Girls.		Boys.	Girls.
1903	...	497	44,631	10,878	1,245	77,619	37,707
1904	...	507	46,785	11,678	1,316	77,700	39,103
1905	...	529	52,375	12,829	1,386	85,436	44,144
1906	...	566	54,249	13,827	1,429	90,389	44,599
1907	...	592	55,624	14,372	1,456	88,707	48,518
1908	...	624	59,756	15,634	1,574	95,467	53,646

From this it appears that there were in 1908 altogether 2,198 Government and grant-in-aid vernacular schools attended by 155,223 boys and 69,280 girls. These figures show an increase of 150 schools and 17,282 children over the corresponding figures for 1907.

Besides the children attending Government and aided schools, 26,180 children were reported to be receiving instruction in 1,549 unaided schools, almost all of them vernacular; the figures furnished by such schools cannot, however, be relied upon, and the education is often of very little value. Their number is decreasing.

The total spent by Government on vernacular education was Rs. 761,079·25, of which Rs. 301,750·67 was expended on Government schools and Rs. 459,328·58 on aided schools. This gives the cost to Government of education of a child in a Government school at Rs. 4 or 5s. 4d. per annum, and in an aided school as Rs. 3·08 or 4s. 1½d. per annum.

The above figures show an increase of 17,282 in the number of children attending Government and grant-in-aid vernacular schools, as compared with 1907.

The Rural Schools Ordinance of 1907 was brought into force on July 1st, 1908, in thirteen revenue districts, and three other districts were brought under the Ordinance two months later. The District School Committees, which have been appointed in these districts, had a somewhat complicated task before them, and were occupied for the remainder of the year in preparing schemes for making provision for the education of the areas placed under them. In almost all of these districts a large number of new schools will be necessary, and time must necessarily elapse before sites have been secured and buildings provided. The Ordinance includes provision for spreading this work over a period of five years, and in most of the districts this ought to be sufficient. Meanwhile by-laws have been drafted in all the districts, and will shortly be in force for all areas which are provided with accessible schools.

### (C.) ENGLISH SCHOOLS.

In 1907 there were 228 English and Anglo-vernacular schools attended by 35,707 pupils, of whom 28,938 were boys and 6,769 were girls. As compared with 1907, these figures show a decrease of 20 schools and an increase of 1,105 pupils. In the majority of these schools the work is confined to the schedules of the Educational Code, but there are many in which the upper classes are prepared for the Cambridge Examinations, Senior and Junior, and a few in which the work of the most advanced students reaches a higher level.

The following were the results of the Cambridge Local Examinations, for which 1,036 candidates presented themselves in 1908, viz., 388 for the Senior and 648 for the Junior:—

			Candidates.		Honours.		Passes.	
			Boys.	Girls.	Boys.	Girls.	Boys.	Girls.
Senior...	...	...	349	39	16	2	143	25
Junior	...	...	537	111	20	6	292	60

The following were the results of the London Examinations held in 1908:—

		Candidates.	Passes.
Matriculation	...	25	7
Intermediate in Arts	...	11	5
Intermediate in Science	...	5	2

The only Government school in which higher education is given is the Royal College, at which in 1908 there were 323 pupils, with an average attendance of 283. The pupils in the upper part of the College are prepared for the Cambridge Local Examinations and the Examinations of the London University as far as the Intermediate in Arts and Science. The staff consists of nineteen masters, of whom five hold English University degrees. The gross cost to Government in 1908 was Rs. 45,749·09, of which a sum of Rs. 20,505 was recovered in school fees.

The Royal College was the subject of an inquiry by a Commission in 1908. It is proposed to continue the policy of maintaining the College as a Government institution, taking such steps as may be found advisable to improve its efficiency, especially in the scientific and mathematical branches. It is felt that the Royal College as the only Government institution of its kind can follow a continuous policy and maintain a high standard in education. The fees are to be increased by 50 per cent., and the lower school gradually replaced by the English school which is attached to the Government Training College. Plans are being prepared for a new Royal College in the Cinnamon Gardens, where the school will have the advantage of an excellent site, instead of its present unsatisfactory position in the heart of the town, without proper playing fields.

The other institutions in which anything that can fairly be described as higher education is given are registered as aided schools under the Code, with one exception, viz., the Church Missionary Society's Ladies' College in Colombo.

The encouragement offered by Government takes two forms: (a) Grants; (b) Scholarships:—

(a) In most of the aided English schools grants are paid on the results of examinations in the ordinary schedules of the Code, supplemented by specific subjects. But in some of the better schools the system has been replaced by one under which the greater part of the grant is paid on the average attendance. Liberal grants are also paid for every pupil who obtains honours in the Cambridge Local Examinations, or who passes the London University Matriculation Examination or Intermediate Examination in Arts. The total sum expended in grants to English schools was Rs. 136,221·21 in 1908.

(b) Two University Scholarships of £200 per annum for three years are now awarded on the results of the Intermediate Examinations of the University of London: one on the Examination in Arts, the other on the Examination in Science. One scholarship, Rs. 240 per annum for three years, is awarded annually to girls on the results of the Cambridge Senior Local Examination. On the results of the Cambridge Junior Local Examination one

scholarship of Rs. 240 per annum for three years and two of Rs. 120 per annum for two years are awarded annually to boys, and two scholarships of Rs. 120 per annum for three years are awarded annually to girls. The total sum expended in scholarships in 1908 was Rs. 15,524·76.

#### (D.) TRAINING OF TEACHERS.

The Government Training College consists of three departments: English, Anglo-Vernacular, and Vernacular. The English department is intended specially to meet the wants of aided English schools; two studentships of the annual value of Rs. 480 and twenty studentships of the annual value of Rs. 300 are provided by Government. In the Anglo-Vernacular and Vernacular departments students have hitherto been prepared only for work in Government schools; in 1908 there were six students in the Anglo-Vernacular and twenty in the Vernacular department. An English boys' school and an Anglo-Vernacular boys' school are worked on the same premises, and serve as practising schools to the students; the staff in both these schools consists almost entirely of trained teachers. The Training College was started in 1903 in a somewhat tentative way; it has now been decided to extend its work. An enlargement of the building was begun in 1907 and completed at the end of 1908; it includes accommodation for a Sinhalese female department and a Tamil male department. An important regulation has been added to the Code for Aided Schools, by which the second class certificate for English teachers will after the year 1909 be confined to teachers who have gone through a period of training.

#### (E.) TECHNICAL AND INDUSTRIAL EDUCATION; SCHOOL GARDENS.

Higher technical education is provided for by the Technical College, a Government institution established in 1893; in 1897 it was re-organized, and its work largely extended. It is now the regular channel of admission of Ceylonese for the following Departments of Government: Public Works, Survey, Railway, Post and Telegraph; it contains departments of civil engineering, telegraphy, surveying and levelling. In 1908 the number of students (including drawing students) was 164, and the gross cost to Government was Rs. 60,700·72, of which Rs. 4,596·53 was recovered in fees and by the sale of stationery, instruments, &c.

The Technical College was also reported upon by a Special Commission appointed in 1908, owing to criticisms with regard to the courses prescribed for the student. The Commission recommended that the College should continue to be used as a feeder to Government Departments. It was considered that it was more economical to provide for the theoretical instruction of such recruits in a single institution than for each department to arrange for its own course of instruction. It is hoped that with the present great demand for men in the technical departments and the inducements which can be held out that the Technical College will be able to afford a supply of the right material.

There are no Government industrial schools; but carpentry schools have been attached to five Government schools in the

**Kandyan Provinces.** In 1908 the aided industrial schools, which are 34 in number, received grants amounting to Rs. 15,978·92. The number of pupils was 4,839, and the trades taught were dressmaking, carpentry, printing, bookbinding, shoemaking, tailoring, blacksmiths' work, lace-making, embroidery, gardening, and masonry.

The most important of these schools is the Maggona Certified Industrial School, which is utilized by Government as a reformatory, and carried on by the Roman Catholic Mission. This institution has an estate of about 300 acres and excellent buildings, to the cost of which Government has contributed. At the end of 1908 the number of juvenile offenders receiving instruction in it was 217; the trades taught were carpentry, ironwork, masonry, gardening, and estate work, bookbinding, and tailoring. An allowance is paid by Government for the maintenance of each juvenile offender. The total cost of the institution to Government in 1908 was Rs. 19,184·57.

In Ceylon, where 88 per cent. of the population is rural, the technical and industrial education required for the main part of the population is one of which will fit them for rural and agricultural life. An attempt is being made to supply this by the scheme for school gardens, which is being carried on in connection with Government schools. There are now 142 Government schools in which gardens are being carried on under the scheme; in all there are 180 schools with school gardens. The seeds and implements are supplied by the Department, and the gardens are visited as often as possible by the Superintendent of School Gardens and his Assistants. The work is encouraged by money prizes for the most successful school in each district.

Needlework in girls' schools has received much attention since the appointment of the Inspectress of Needlework in 1904. The Inspectress visits personally as many schools as she can, and marks the work done at all girls' and mixed schools throughout the Island. This has led to a marked improvement both in plain needlework and in the lace and embroidery done in industrial schools.

#### (F.) ESTATE SCHOOLS.

As regards aided estate schools, the figures show marked progress. At the end of 1908 there were 162 aided estate schools, as against 105 at the end of 1907 and 90 at the end of 1906. The number of estate schools actually examined for grant was 126, as compared with 97 in 1907.

As in the previous year, a form was circulated to collect information from planters. Returns were received from 735 estates, and showed a total number of 10,954 children receiving instruction in schools on the estates, of whom 9,262 were boys and 1,692 girls.

## V.—GOVERNMENT INSTITUTIONS.

## (A.) HOSPITALS.

There are 73 hospitals, with a total number of 4,444 beds.

## (B.) MEDICAL INSTITUTIONS.

The Medical College has a total of 113 medical students and 36 apothecary students. The course of study is five years for the former and two years for the latter. The number of qualified medical men registered in 1908 under the Ordinance No. 2 of 1905 was 225, and the total number of irregular medical practitioners who availed themselves of registration under the special conditions of the Ordinance was 176.

There is a Bacteriological Institute, a clinic for tropical medicine for research and instruction, and a laboratory for the Public Analyst.

## (C.) ASYLUMS.

There are asylums in Colombo for lunatics and lepers; there is also a home for Incurables, which, though not an official institution, receives a grant of Rs. 5,000 per annum from Government. The daily average number of patients at the Leper Asylum is 325.

## (D.) POOR HOUSES.

There are no poor houses in Ceylon. In Colombo and some other towns there are Friend-in-Need Societies for the relief of distress, and these are subsidized by Government, the Colombo subsidy being Rs. 12,000 per annum. In addition to this every Government Agent and Assistant Government Agent has an annual vote for "Allowances to Paupers"; the votes vary from Rs. 10,000 in the Colombo District to Rs. 340 in the Nuwara Eliya District; the maximum allowance is Rs. 5 a month.

## (E.) REFORMATORIES.

There are no Government reformatories in Ceylon, but by an arrangement with the Roman Catholic Mission the Maggona Industrial School is used as a reformatory for youthful offenders (*vide* (E) Technical and Industrial Education).

## (F.) SAVINGS BANKS.

There are two Government institutions, and the business of both showed a satisfactory working in 1908:—

(1) The Ceylon Savings Bank had a sum of Rs. 4,556,778 to the credit of 34,309 depositors on December 31st, 1908, as against Rs. 4,679,480 to the credit of 33,888 depositors on the corresponding date of 1907. The amount of the Bank's invested funds was Rs. 4,970,944. Interest is allowed on deposits at the rate of 3 per cent. in sums above Rs. 1,000, and 4 per cent. on sums below that amount.

(2) Post Office Savings Banks.—Depositors' accounts increased by 3,946, and amount to credit of depositors by Rs. 83,896, the figures at the end of the year being Rs. 2,201,177 to the credit of 74,964 depositors. In 1907 the increase of accounts was 4,069, and of deposits Rs. 219,337. Business is done at 159 offices, and the rate of interest is 2·40 per cent.

## VI.—JUDICIAL.

### (A.) POLICE.

The authorized strength of the Police on December 31st, 1908, was 1 Inspector-General, 6 Superintendents of Police, 14 Assistant Superintendents of Police, 21 Inspectors, 38 Sergeant-Majors, 16 European Police Sergeants, 18 European Police Constables, 57 Station House Officers, 238 Native Police Sergeants, and 1,825 Native Police Constables. 398 recruits were enlisted during the year.

The cost of the Force was Rs. 1,120,414, as against Rs. 1,091,745 in 1907.

No new punitive forces were imposed during the year.

### (B.) CRIME STATISTICS.

#### I.—From Returns furnished by the Inspector-General of Police.

The following figures show the number of offences dealt with:—

Year.	True Cases.		Convictions or Committals.	
1904	...	19,027	...	13,063
1905	...	16,831	...	11,036
1906	...	17,621	...	11,224
1907	...	15,555	...	11,550
1908	...	17,831	...	12,523

Of the above total, 11,023 were statutory offences, breaches of Municipal by-laws, and other minor offences. The real crime is represented by 6,808 offences, as against 5,620 in 1907.

The following table shows the fluctuation of the more important forms of serious crime:—

—	1904.	1905.	1906.	1907.	1908.
Murder and homicide ...	144	170	186	188	201
Rape ...	20	23	30	110	129
Robbery ...	280	330	382	926	1,000
Burglary... ..	1,716	1,869	2,107	2,370	2,570
Grievous hurt ...	408	448	481	479	329
Theft of cattle and prædial products.	1,377	1,623	1,915	1,161	2,079
Arson ...	190	230	229	384	499
Riot ...	8	4	8	2	1

## II.—*From Returns furnished by the Solicitor-General.*

The number of cases instituted in the Police Courts and Municipal Magistrates' Courts in 1908 was 81,281, as against 82,453 in 1907.

The proportion of persons tried by Police Courts per 100,000 inhabitants was 2,042, as against 1,600 in 1907.

2,605 persons were committed for trial before the Superior Courts. Of these, 75 were awaiting trial at the end of the year. Of the remaining 2,530, 1,486 were convicted of various offences and 1,032 were acquitted, while 12 were discharged, the charges against them having been withdrawn.

These figures as they stand point rather to an increase in the state of crime in Ceylon rather than to any decrease. But it must be remembered, in dealing with any crime figures, that an increase in the number of cases reported by no means implies an increase in crime, but very frequently indicates increased vigilance on the part of the police force, and more cases reported and so investigated.

Crime.—There is no doubt, both from the reports of the judicial and police officers as well as those of the revenue officers, that the country is much better policed, and that far more criminals are detected and punished than was the case a few years ago. The Southern Province has for long had the reputation of being the most criminal in the Island, and was consequently the most thoroughly marked out for Police Stations. The Government Agent, Southern Province, in his Administration Report for 1908, states:—

“Balapitiya (a district in the Southern Province) held the unenviable distinction of holding the first place in crime for five years from 1898 to 1902, was second in 1903 and 1904, third in 1905, and now is ninth. The proportion of persons committed was 21 per 10,000 in 1901; it is now 6·3. The Galle division dropped in 1907 from 4th to 15th place.

“Burglaries have dropped from 521 reported in 1906 to 308 in 1908. There were 251 cattle stealing cases in 1906 and 122 in 1908.”

Serious crime diminished by 29 per cent. during 1907 in the Southern Province, and the decrease is continued.

Increased efficiency in detecting and reporting crime will not at once produce any marked effect on the state of crime in Ceylon. Murders and violent assaults are still regrettably frequent. It has been a matter for serious consideration whether a form of punishment could not be found which would have a more deterrent effect than the death sentence on the people of this country.

## (C.) PRISONS.

There was an increase of 433 prisoners in the total number of admissions of convicted prisoners to the prisons in Ceylon during the year, excluding Road Ordinance defaulters, of whom there

were 379 in 1908, as against 487 in 1907. The figures are as follows:—

1907	...	...	...	...	...	8,188
1908	...	...	...	...	...	8,621

The convictions for murder and manslaughter were 101, as against 127 in 1907.

There was a decrease in the number of capital sentences carried out:—

				Sentenced to Death.		Hanged.
1907	...	...	...	59	...	44
1908	...	...	...	45	...	23

Of the 45 sentenced to be hanged in 1908, 37 were Sinhalese, 4 Tamils, 2 Moors, and 2 Eurasians; 27 out of the 45 sentences were confirmed, and 18 were commuted.

There were 7 escapes from jail during the year, in 6 of them re-captures were effected.

The total number of deaths in jail was 227, as against 121 in 1907. There was no serious epidemic of any kind. There was, however, a slight outbreak of cholera in Welikada Jail in November, the total number of deaths from this disease being 14. The increase in deaths was due to the prevalence of diarrhoea and dysentery. The average daily sick-rate for the year was 121, as against 101 in 1907, an increase of 20.

The number of punishments for prison offences inflicted on prisoners increased from 2,308 in 1907 to 2,475 in 1908. Corporal punishment also increased from 128 in 1907 to 131 in 1908. The increase in the number of punishments, both corporal and "others," was due to the increase in the number of admissions and daily average of prisoners, both convicted and unconvicted.

Industrial labour has continued to be carried out and extended. The weaving of cloth for prisoners' clothing was started in Welikada towards the latter end of the year, and should prove a success and reduce expenses in clothing the prisoners. At Anuradhapura a quarry was opened for the supply by prison labour of ballast to the Railway Department. At Negombo there is a remunerative basket industry. The estimated value of remunerative labour performed by prisoners was Rs. 314,258.

The desirability of instituting portable jails to admit of the employment of parties of long-sentenced prisoners from the Mutwal quarries, which are no longer workable, on such works as water supply and drainage schemes for minor towns and villages, has been under consideration.

Owing to the congested state of the Government Printing Office, and want of space in the Fort for the erection of new offices and buildings, it has been decided to erect new printing works at Welikada on Government property. Labour will thus be found for some 200 prisoners daily, for machine and press printing, stereotyping, ruling, perforating, numbering, binding, packing, warehousing, and preparing for despatch, under the

direct supervision of the Government Printer, who will also have his own staff of free labour in a separate portion of the building.

The printing of railway tickets is now being carried out at Welikada. All embossing work for Government Departments is also carried out by prison labour.

Prisoners will also be employed on the Karaiyui Reclamation Scheme at Jaffna next year, their employment for this purpose having been sanctioned by the Secretary of State. Their use for this purpose will effect a double purpose: habitual criminals will be employed in work which should prove remunerative at a considerable distance from the home of the majority of them, and in a part of the country much disliked by the Sinhalese.

## VII.—VITAL STATISTICS.

### (A.) POPULATION.

The population enumerated at the Census (March 1st, 1901) was 3,565,954, exclusive of the military, the shipping, and the South African prisoners of war. The natural increase by excess of births over deaths from that date to the end of the year 1908 amounted to 276,789, while the number of Indian immigrants exceeded the number of emigrants by 195,713. The population estimated to the end of 1908 was accordingly 4,038,456, an increase of 50,392 persons, or 1·3 per cent. on the population of 1907.

#### *Birth and Death Rates.*

The births registered during the year numbered 160,713, and were in the proportion of 40·1 per 1,000 persons living. The registered deaths numbered 117,982, and were equal to a rate of 29·4 per 1,000 of the population. Compared with 1907, the birth-rate shows an increase of 7·3 per mille, and the death-rate a decrease of 7 per mille. Compared with the average rates for the ten years 1898-1907, the birth-rate shows an increase of 2·3 per mille, and the death-rate also an increase of 1·0 per mille.

#### *Public Health.*

The public health during 1908 was not so good as in the previous year, there was more malarial fever, and smallpox was prevalent.

The greatest number of deaths occurred under the heading of Specific, Febrile or Zymotic Diseases, and of these the highest figures are given under the sub-heads of Miasmatic and Diarrhœal Diseases. The deaths from smallpox increased as the year progressed, and the number of deaths from enteric and simple continued fevers was high. The deaths attributed to malaria alone and from cholera were few. In the hospitals of the Island the daily average sick during 1908 was 4,278·45, as against 4,175 in the previous year. Parangi cases decreased in 1907.

Of the principal diseases, the following showed an increase in admissions over 1907, viz., anchylostomiasis, chickenpox, enteric fever, leprosy, malarial fever, and smallpox.

The following table shows the admissions for, and deaths from, the most prevalent diseases during 1908 as compared with 1907:—

Diseases.	1907.		1908.	
	Cases.	Deaths.	Cases.	Deaths.
Anchylostomiasis ... ..	3,831	888	4,434	1,034
Chickenpox ... ..	2,441	2	3,471	1
Cholera ... ..	105	62	51	40
Dysentery ... ..	3,474	1,264	3,099	825
Enteric Fever ... ..	696	157	1,029	248
Leprosy ... ..	516	73	562	68
Malarial Fever ... ..	7,164	167	11,492	718
Parangi ... ..	3,513	45	3,246	23
Smallpox... ..	126	24	1,445	321

#### (B.) VACCINATION.

During the year 246,118 subjects were vaccinated. The percentage of successful primary vaccination cases to total inspected was 85·18, while the percentage of successful re-vaccination cases was 71·80.

A Pasteur Institute has been established at Coonoor, where all persons who have been bitten by rabid animals undergo free prophylactic treatment for hydrophobia. The Ceylon Government gives the institute an annual grant, and all poor persons in Ceylon bitten by rabid animals, and unable to meet the expenses of the journey, are sent there at the cost of the Government. Many of the inhabitants of this Island have already availed themselves of the advantages of this institution.

Plague.—The Island continues free from the ravages of plague. One case of plague was brought to Colombo from Bombay and sent to Galle. The principal causes of Ceylon's freedom from plague are probably that it is not a terminal port, ships do not come alongside a quay, and cargo lighters are regularly disinfected and kept free from rats.

#### (C.) SANITATION.

The water carriage system in Colombo has made considerable progress during the year, and it is expected that in 1909, or early in 1910, the portion of the work known as the Harbour Sewage Scheme will be completed and working.

The large towns are controlled by Municipalities, other towns have Local Boards, or come under the Small Town's Ordinance.

The general expense of scavenging is met from rates recovered locally, and loans are made occasionally to the local bodies for larger works of permanence, such as water supply, construction

of drains, &c., the cost of which they are unable to meet in a lump sum.

*See* also under head Public Works, (F.) Colombo Drainage Works.

#### (D.) METEOROLOGY.

The climate of Ceylon varies considerably in different parts of the Island, both as regards temperature and rainfall. In the low-country and coast districts the climate is tropical, but in the mountainous districts in the interior of the Island it resembles that experienced in many parts of Europe, being temperate and equable.

The year 1908 was much below the average as regards rainfall. The highest recorded rainfall was at Ratnapura 118·06 inches. This district also held the highest record for 1907 with 138·36 inches. The lowest record was at Hambantota, 25·11 inches, as against 33·64 inches for the same district in 1907, which was the lowest of that year. The rainfall in Colombo was 58·41 inches and in Kandy 63·72 inches. At Ratnapura it rained on 229 days in the year, while at Puttalam there was rain on only 56 days.

The hottest station, taking the mean temperature of night and day all the year round into account, was Trincomalee, 82·3°, with Jaffna—which had a temperature of 82·6° in 1907—second with 81·4° in 1908. The coolest was Nuwara Eliya, 59·3°. Colombo and Kandy were 79·9° and 76·1° respectively. The highest temperature reached in Colombo was on February 8th, 93·0°, the highest on record in Colombo is 95·8° registered on February 22nd, 1885.

The highest temperature for the whole Island reached during the year was at Anuradhapura, 99·9° on August 28th; the highest on record for the Island was at Trincomalee, 103·7° on May 12th, 1890.

### VIII.—POST AND TELEGRAPH DEPARTMENT.

The total number of offices open in 1908 was 402; of these, 159 were Post Offices and 243 were Receiving Offices. Of the 159 Post Offices, 108 are also Telegraph Offices.

A comparison of the revenue and expenditure for the years 1907 and 1908 shows:—

	1907. Rs.	1908. Rs.
Revenue ... ..	1,353,202	1,417,072
Estimated value of work done for Government ...	246,507	242,361
Total ... ..	1,599,709	1,659,433
Expenditure ... ..	1,483,502	1,614,602
Balance ... ..	116,207	44,831

The total estimated number of articles, exclusive of parcels, which passed through the post during the year exceeded 31½ millions, against 30½ millions in 1907 and 29½ millions in 1906.

The business done in parcels is shown as follows:—

	1907.	1908.
Total number of parcels ...	503,507	480,775
Inland value-payable parcels	98,117	99,882
Indian value-payable parcels	75,951	73,243
Collected from addresses of	Rs.	Rs.
value-payable parcels ...	867,587	979,352

The fall in the total number of parcels is due to the fact that a large number of packets formerly posted as parcels now fall into the letter rate of postage.

The following are the figures for money orders:—

—				1907.		1908.	
				No.	Rs.	No.	Rs.
Inland	...	...	...	292,422	8,062,074	310,154	8,489,757
Indian	...	...	...	174,231	4,751,428	181,197	5,233,151
United Kingdom	...	...	...	10,547	382,710	10,390	400,646
Colonial and Foreign	...	...	...	11,487	768,307	11,586	756,523
Total	...	...	...	488,687	13,964,518	513,327	14,880,077

Money order business with the United Kingdom has decreased in extent owing to the increasing popularity of the British postal order. The business done in postal orders is shown below:—

—				1907.		1908.	
				No.	Value.	No.	Value.
Inland	...	...	...	58,463	Rs. 192,112	61,474	Rs. 203,571
British	...	...	...	15,445	£ 10,248	22,267	£ 14,870

The total number of telegrams was 823,905 in 1908, against 807,996 in 1907, an increase of 15,909, against an increase of 48,425 over 1906. Foreign telegrams (other than those sent to India) showed an increase of 8 per cent., against 17 per cent. in the previous year.

The number of miles of wire and of Postal Telegraph Offices and Railway Telegraph Stations is shown below:—

	1907.	1908.
Miles of wire ... ..	3,651	4,061
Number of Postal Telegraph Offices	106	108
Railway Telegraph Stations .....	107	108

The new P. & O. mail contract, which came into force on February 1st, 1908, has effected a reduction in the subsidy pay-

able by Ceylon of £515 per annum, the amount payable in future being £4,852 per annum.

Mr. A. H. Preece, of the firm of Preece & Cardew, Consulting Electrical Engineers, paid a visit to Ceylon in January last, and inspected the Telegraph and Telephone Systems of the Colony.

In consequence of his recommendations, it is proposed to replace the existing overhead method of construction of the Colombo telephone service by an underground system on the more congested portions of the service, and estimates for that purpose are in course of preparation. The cost is roughly estimated at Rs. 100,000.

A proposal made by Mr. Preece for the construction of telephone trunk lines between Colombo, Kandy, and Nuwara Eliya has received consideration, and estimates of the cost have been prepared. The cost, which amounts roughly to Rs. 220,000, includes a large amount of reconstruction of the existing routes, along which the trunk lines will have to be carried, and this reconstruction should materially improve both the Postal Telegraph and Railway Telegraph Systems.

## IX.—PUBLIC WORKS.

### (A.) PUBLIC WORKS DEPARTMENT.

The expenditure of the Public Works Department during the last two years may be compared as follows:—

	1907. Rs.	1908. Rs.
Personal Emoluments ...	533,049	518,919
Other Charges ... ..	89,857	87,470
Public Works Annually		
Recurrent ... ..	2,648,741	2,684,811
Public Works Extra-ordinary ... ..	1,929,416	1,781,144
Works chargeable to Loans, &c. ... ..	227,081	415,167
Total ... ..	5,428,144	5,487,513

The total expenditure of the Public Works Department has steadily increased during the last eleven years from Rs. 4,190,003 in 1898 to Rs. 5,487,513 in 1908.

The total length of roads maintained by the Public Works Department during the year was 3,790 miles, of which 3,450 miles are cart roads and 340 miles are bridle roads.

### (B.) COLOMBO HARBOUR WORKS.

The total expenditure upon the works during 1908 amounted to Rs. 1,499,375 and the total expenditure since the commencement of the South-west Breakwater in 1873, including maintenance charges, &c., has amounted to Rs. 39,478,650.

*New Arm, South-west Breakwater.*

Preliminary work on block setting re-commenced after the south-west monsoon as soon as weather permitted in October, and up to the end of the year 30 slices were set, or 290 feet of breakwater completed. Owing to the exposed position the work presents considerable difficulties, and it is estimated that it will not be finished for four or five years.

*Graving Dock.*

The dock was occupied on seventeen occasions during the year. The revenue amounted to Rs. 32,010·90 and the expenditure to Rs. 54,336·20.

The North Guide Pier is practically complete as regards length, and is now in use. The fendering, coping, and other subsidiary work is now in hand. The whole will be completed during the year 1909.

*Patent Slip.*

The slip was used on twenty-one occasions, producing a revenue of Rs. 27,356. The working expenses amounted to and Rs. 5,455 respectively.

## (C.) RAILWAY DEPARTMENT.

*Open Lines.*

The total length of railways open at the end of 1908 was 566½ miles, an increase during the year of 4½ miles, by the opening of a section of the new Negombo Extension as between Ragama and Ja-ela.

The receipts for the year amounted to Rs. 10,906,431, being Rs. 211,001 in excess of the preceding year; to this increase coaching traffic contributed more than half, viz., Rs. 137,567, while goods traffic and miscellaneous increased by Rs. 67,979 and Rs. 5,455 respectively.

The most noticeable increases in goods traffic are as follows:—Coconut produce (coconut oil, copra, desiccated coconuts), manure, rubber, machinery, food stuff, &c., fibre yarn, &c., liquid fuel, bulk petroleum, and tea packing.

The increase in coaching traffic is due to an increase in the number of ordinary passengers and season ticket holders of all classes, including coolies, and to the conveyance of a large number of bicycles, carriages, dogs, &c.

The actual working expenses for 1908 (excluding expenditure on new works, &c.) were Rs. 5,850,743, as compared with Rs. 5,400,470\* in 1907. The result of the year's working was therefore as follows:—

				Rs.
Receipts	...	...	...	10,906,431
Working expenses	...	...	...	5,850,743
Profit	...	...	...	<u>5,055,688</u>

\* The figures given in the Blue Book Report for 1907, viz., Rs. 5,362,470, have since been corrected. They should be as now given.

Of this profit, the sum of Rs. 967,797 was expended in providing additional accommodation, rolling stock, increased safety appliances, &c.

The total capital cost of the Railway, including additional accommodation provided up to December 31st, 1908, amounted to Rs. 86,795,858. The profit on the capital cost of the Railway, including additional accommodation to December 31st, 1908, was therefore 5·82 per cent. The capital outstanding on loans on January 1st, 1908, was Rs. 38,956,126.

During the year six new engines for the broad and narrow gauge lines, ten bogie carriages, and a number of goods wagons were added to stock. Considerable improvements to stations, workshops, and buildings, and further extensions of the installation of vacuum brake, tablet system, interlocking of signals, and Stone's electric light apparatus were carried out.

It is interesting to note that, whereas not so many years ago all the carriages on the Ceylon Railway were imported bodily from England, they are now, with the exception of the wheels and axles and some minor details, entirely constructed in the railway workshops, resulting in great economy of expenditure and the provision of employment for a large number of Ceylonese.

#### RAILWAY EXTENSIONS.

##### *Colombo Stations Extensions.*

This scheme includes the rebuilding and enlargement of the Maradana station, large extensions of the goods yard, erection of new goods warehouses, lake jetties, &c., the building of a new up-to-date station at the Fort, the deviation and duplication of the broad gauge line across the lake to Slave Island, a new large engine yard and coal stage, engine sheds and offices at Dematagoda, and the reclamation of approximately 40 acres of the lake. The total estimate for the work amounts to Rs. 4,447,145, out of which a sum of Rs. 2,295,636·49 had been spent up to the end of 1908. Maradana station has been completed, with the exception of the signalling and interlocking. The goods warehouses are in hand, also the new engine sheds and coal stage offices at Dematagoda. It is hoped that this scheme will be completed by the end of 1912.

##### *Negombo Extension.*

The construction of this line was started in November, 1907, and good progress has been made during 1908. The line as far as Ja-ela, a distance of  $4\frac{1}{2}$  miles, was opened for traffic from November 9th last. It is hoped to place the rails as far as Negombo by the middle of 1909. This extension is approximately 15 miles. The actual date of the opening of the line, however, depends on the completion of the Dandugama-oya bridge. This extension is constructed out of the general

revenue. The total estimate for this work is Rs. 1,683,436, out of which Rs. 1,218,336·53 has been spent in 1908.

#### *Ratnapura Extension.*

This extension was sanctioned at the commencement of the year; it is 27 miles in length. The total estimate for the work is Rs. 2,953,408. During 1908 application has been made for all the land required, and acquisition has been pushed on rapidly. The cost of this line is being met from Loan funds.

#### *Sea Coast Duplication and Ragama Widening.*

Sanction has been obtained for the widening of the line from Maradana to Ragama, a distance of  $8\frac{1}{2}$  miles, and also from Slave Island to Moratuwa, a distance of  $10\frac{3}{4}$  miles. The work is to be taken in hand in the beginning of 1909. During 1908 detail surveys and estimates of the widening from Slave Island to Moratuwa were prepared. The land required for station sites has also been applied for. Six new stations will be re-erected.

#### *Protection of the Sea Coast Line.*

In recent years the sea has considerably encroached on the Sea Coast Railway line. It was found necessary to take immediate steps to prevent further encroachment. It is proposed to protect this coast with a bank of heavy rubble blocks weighing 5 to 9 tons. During 1908 the necessary plant for the handling and transporting of these heavy blocks has been indented for from England, and a portion of this plant arrived during 1908. The total estimate for this work is Rs. 437,510, out of which Rs. 91,341·70 has been spent. This work is being done from Revenue funds.

#### *Mannar Line.*

The survey and estimates of the proposed line have recently been completed. Its length is some  $69\frac{1}{2}$  miles, and the approximate estimate was Rs. 5,000,000 on the basis of a  $46\frac{1}{4}$  lb. rail. Since then it has been decided to use an 80 lb. rail line. The estimated excess of Rs. 1,138,800 so caused will be included in the Loan Bill. Subject to examination by the Consulting Engineers of the detailed plans and estimates, the line has now been sanctioned.

Its completion is likely to have far-reaching effect in the history of Ceylon, which will then be connected by rail with India.

#### *Motor Traction as Railway Feeders.*

Motor traction as railway feeders opens a field for great possibilities in Ceylon, where the country with its splendid system of roads is in many parts admirably fitted for traction trains. Ceylon representatives were sent to India to attend and report on the trials of the Renard-Sourcoup road trains held in the Bengal Presidency.

## (D.) IRRIGATION.

The present policy in irrigation matters is to develop the irrigable areas opened up by the large irrigation works which have been carried out in the past, and to complete these works by carrying out connected schemes of channels, &c., which will bring the full schemes into general usefulness.

The Indian Government has lent the Colony the service of Mr. W. L. Strange, an irrigation expert, who is now examining the irrigation works of the Island, and who will advise on the best means of deriving the full benefit of these splendid monuments of the past and present restorations.

The expenditure on construction in 1908 was Rs. 445,169, as against Rs. 415,452 in 1907. This is a considerable decrease from the figures for the seven previous years. Expenditure was rising rapidly from 1900, and reached Rs. 668,377 in 1904.

The cost of maintenance was Rs. 97,660, as against Rs. 85,276 in 1907.

An extent of 1,803 acres of land was opened for irrigation in 1908, 818 acres being in the North-Central Province.

Consideration has been given to numerous minor works for existing tanks in the Wanni—a stretch of land in the north of Ceylon, within easy distance of the railway, and served by numerous irrigation schemes. This district is at present almost uninhabited, and every effort is being made to attract settlers to land, which irrigation should make one of the most fertile portions of Ceylon. (*Vide* also remarks under Position of Agricultural Industries, Maha Illuppalama Experimental Station, page 22.)

## (E.) FORESTS.

The future *personnel* of the Forest Department will consist of trained foresters only, as in the case of the Imperial Forest Service in India. The first officers trained at Oxford will arrive at the end of 1909.

Forest exploitation has been directed towards the elimination of over-mature timber which retarded future regeneration of crops, and to the utilization of timber on areas to be alienated for sale, lease, or irrigation purposes.

The supply to Public Departments at actual cost of output reached a value of about Rs. 548,700 in 1908, as against Rs. 125,000 in 1906 and Rs. 401,500 in 1907.

During the last four years the Forest Department has delivered 169,000 broad gauge and 42,000 narrow gauge sleepers to the Railway, and holds a large supply in reserve.

The average cost of delivery to date has been Rs. 3.32 per broad gauge and Re. 1.73 per narrow gauge sleeper. The Railway previously paid over Rs. 5 per sleeper for its best supply of broad gauge jarrah, so that a considerable saving has been effected by the supply being obtained from the local forests. On sylvicultural reasons it will be necessary in future to limit the supply of sleepers to 50,000 broad gauge per annum.

## (F.) COLOMBO DRAINAGE WORKS.

(1) Messrs. Mansergh & Sons' scheme for the drainage of Colombo to replace the present "dry earth" system has been in course of construction since 1904. The whole scheme is estimated to cost about 20½ million rupees. An expenditure of Rs. 5,200,000 has been sanctioned for the first instalment, dealing with the harbour watershed, which contains about a quarter of the population; and a further expenditure of Rs. 988,344 was sanctioned in 1908 for a portion of the second instalment, consisting of the main sewer from Layard's Broadway to Polwatta, which will partially intercept the sewage now draining into the lake in the centre of the city.

(2) Sewers are being laid in all the principal streets, gravitating to a pumping station near the harbour, where the sewage will be lifted into a main sewer and led away about 2½ miles to a terminal pumping station and bacterial treatment works, whence the purified effluent will be discharged into the Kelani river, near the Victoria bridge. The sewers are capable of taking six times the dry weather flow of the sewage, and separate drains are being provided for dealing with heavy rainfall.

(3) The total length of drains completed up to December, 1908, was 22½ miles. All the principal sewers have now been laid. The extension of the main sewer was commenced in March, and about ¾ mile had been completed by the end of the year. Altogether, about 250,000 cubic yards of excavation have been done, and about 56,000 cubic yards of concrete and masonry have been put in place.

(4) The total expenditure up to December 31st, 1908, amounted to Rs. 4,297,190·52, of which Rs. 1,400,235·16 was expended during 1908. The labour force averages a little under 3,000 men during the year, and reached 3,047 in November, which is about one twenty-fourth of the total adult male population of Colombo.

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X.—GENERAL OBSERVATIONS.

## (A.) IMPORTANT EVENTS.

Her Majesty the ex-Empress Eugenie spent three months in the Island.

Empire Day was very widely celebrated throughout Ceylon. There were large gatherings of school children at all the large centres.

Two Durbars of Native Chiefs were held in Colombo and Kandy. The Conference of the Chief Headmen of the five Kandyan Provinces was the first held in the history of the Colony.

The American fleet visited Colombo in December, and were warmly welcomed. On December 13th 15 large American battle-

ships were securely berthed in the harbour in 4½ hours, and on Thursday, the 17th, at noon, there were in the harbour 41 vessels, all ocean-going steamers, including the American fleet of 16 battleships and 4 auxiliaries. There was no interference with the ordinary business of the port, which gives a good idea of the capabilities of the Colombo Harbour. On the 20th the fleet left the harbour, consisting of 16 battleships and 2 auxiliaries, in 1 hour 13 minutes. The American despatch vessel attached to the fleet was docked, cleaned, painted, and undocked in the Graving Dock in 24 hours, and was the first American vessel to use the dock.

The news of the death in June of Sir Arthur Havelock, G.C.S.I., G.C.M.G., &c., who was Governor of the Colony from 1890 to 1896, of Lady Havelock (in February), and of Sir E. Noel Walker (in October), who was Colonial Secretary from 1887 to 1901, was received with great regret in Ceylon.

#### (B.) PUBLIC SERVICE.

An additional member was appointed to the Executive Council with the approval of the Secretary of State.

Mr. P. D. Warren, Surveyor-General, was made a Companion of the Order of Saint Michael and Saint George. Mr. J. E. Christoffelsz was appointed a Member of the Imperial Service Order.

The death on December 11th of Mr. H. C. Nicolle, Treasurer of this Colony from September, 1904, is recorded with regret.

#### (C.) IMMIGRATION.

A Commission was appointed, and sat during the year, to inquire into and report upon various questions connected with labour on estates in Ceylon.

The questions with which the Commission were principally concerned were the recruiting of labour, the pay of the coolies, their indebtedness, the means of dealing with absconders, and the registration of coolies on estates.

The Commission was presided over by the Hon. Mr. Hugh Clifford, C.M.G., Colonial Secretary.

Their recommendations have been adopted by the Planters' Association, and will be embodied in legislation, which will mark an important step in dealing with the labour, which at present plays so important a part in the development of the tea and rubber estates of Ceylon.

The number of immigrant labourers arriving in Ceylon in 1908 was 80,584, as against 55,701 in 1907. The number for each year depends largely on the state of the crops in South India.

In 1908 there was famine in the labour districts of South India. The Mannar Railway Extension should increase the number of immigrant labourers coming to Ceylon; the demand for the Tamil labourer is yearly becoming greater, and recruiting agencies are to be found all over South India.

**(D.) OPENINGS FOR INVESTMENT OF CAPITAL.**

Rubber, coconut, tea, and plumbago are the chief openings for investment of capital. In the Western and Central Provinces the area of Crown land is comparatively very small; the country is covered with estates and native holdings. Inducements are being held out by offering specially favourable terms to obtain settlers for the tracts of valuable irrigated land in the Northern, North-Central, and North-Western Provinces, along the Northern Railway. There are also large tracts under the big irrigation schemes, *e.g.*, Giant's tank, where there will be 10,000 acres available, and Vakaneri, which open great possibilities for the paddy cultivator. It is hoped that in a few years cotton may prove to be one of the most remunerative products in Ceylon. There are large areas most suitable for its cultivation.

**(E.) GENERAL CONDITION OF THE COLONY; SOCIAL AND MORAL CONDITION OF THE PEOPLE.**

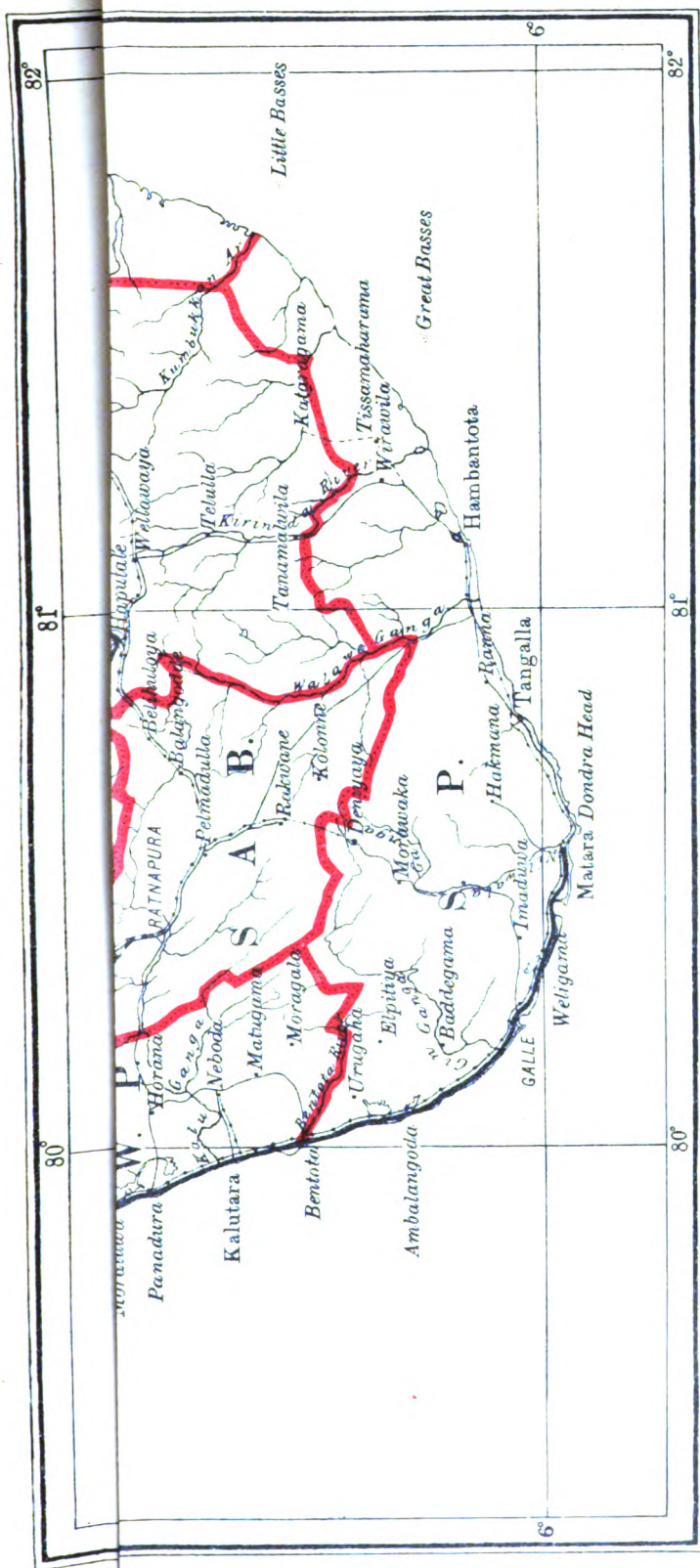
The general condition of the Colony is one of all round prosperity. The staple agricultural products are in a sound and healthy position. The investor can be sure of a steady return on capital invested in the industries of the Island; the native everywhere shows signs of material well-being and prosperity. In fact, so general is the prosperity among the people of the country, that the greatest problems to be faced are those which civilization and education have introduced. In the East, where the villager has few wants, a balance in his favour represents a problem to be solved. Wants are created, and these wants are governed by a standard of comfort set by those who are the first to find that the possession of more money means a greater purchasing power. Their spending capacity depends largely on their education. The danger is that a standard of living may be created which it will be difficult afterwards to abandon, but which is not suited to the wants and habits of the people of the country. Changes of this sort bring with them alterations in dress, in eating and drinking, in ceremonies and entertainments, in manners, which all cut at the root of local customs and distinctions, too often destroying what is old and understood and leaving only what is raw and undigested.

Such is the problem which education has to face in Ceylon to-day.

E. B. DENHAM,

Assistant Colonial Secretary.

May, 1909.



Ordnance Survey Office, Southampton, 1902

Photo - Lith. S G O., Colombo. No 46a



## COLONIAL REPORTS.

The following recent reports relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

### ANNUAL.

No.	Colony, &c.	Year.
569	Wei-hai-wei ... ..	1907
570	Hong Kong ... ..	"
571	Malta ... ..	1907-1908
572	British Honduras ... ..	1907
573	Gold Coast ... ..	"
574	Nyasaland Protectorate ... ..	1907-1908
575	Bahamas ... ..	"
576	Gambia ... ..	1907
577	St. Vincent ... ..	1907-1908
578	Turks and Caicos Islands ... ..	1907
579	St. Lucia ... ..	"
580	Fiji ... ..	"
581	Mauritius ... ..	"
582	Straits Settlements ... ..	"
583	Southern Nigeria ... ..	"
584	Imperial Institute ... ..	1906-1907
585	Barbados ... ..	1907-1908
586	Somaliland Protectorate ... ..	"
587	Trinidad and Tobago ... ..	"
588	Sierra Leone ... ..	1907
589	British Guiana ... ..	1907-1908
590	Grenada ... ..	1907
591	Leeward Islands ... ..	1907-1908
592	East Africa Protectorate ... ..	"
593	Bechuanaland Protectorate ... ..	"
594	Northern Nigeria ... ..	"
595	Basutoland ... ..	"
596	Swaziland ... ..	"
597	St. Helena ... ..	1908
598	Gibraltar ... ..	1907-1908
599	Falkland Islands ... ..	1908
600	Uganda ... ..	1907-1908
601	Imperial Institute ... ..	1908
602	Northern Territories of the Gold Coast... ..	"
603	Ashanti ... ..	"

### MISCELLANEOUS.

No.	Colony, &c.	Subject.
51	Southern Nigeria ... ..	Forest Administration.
52	South Africa ... ..	Native Education.
53	East Africa Protectorate ... ..	Veterinary Bacteriological Work, 1907-8.
54	Newfoundland ... ..	Governor's Visit to the Micmac Indians.
55	Cape Colony ... ..	Rietfontein Area.
56	Turks Islands ... ..	Salt Industry.
57	Uganda ... ..	Governor's Tour.
58	British Colonies ... ..	Fibres.
59	Northern Nigeria ... ..	Mineral Survey, 1906-7.

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